

The complaint

Mr and Mrs W have complained about their home insurer Lloyds Bank General Insurance Limited because, after a water leak and claim in 2015, they suffered two further periods of damage spanning September 2016 – April 2018 and February 2020 until May 2021.

What happened

Mr and Mrs W suffered a leak in 2015. A claim was made and concluded in March 2016. But further damage was noted later that year and it was nearly the end of 2017 when progress into resolving the problem existing at that time was made. Mr and Mrs W had to move out of their home for a time. They returned in late March 2018 and Lloyds returned their furniture several weeks later. Further issues were then noted in early 2020, whilst Mr and Mrs W contacted Lloyds straightaway, no action was taken before the pandemic began. Lloyds eventually accepted this damage was all related to the initial claim and work to reinstate the home began in early 2021. The family returned home in April 2021, and their furniture several weeks later.

In 2018 Lloyds noted that it had caused Mr and Mrs W some significant upset with all the repair issues that had happened in 2016 – 2018. It paid them £1,800 compensation. In 2021, in a formal final response letter, regarding the work that had been needed in 2020/2021, Lloyds said it would pay Mr and Mrs W £900 compensation. Mr and Mrs W though didn't think that was enough given what they'd been through and complained to us.

Our Investigator felt the compensation paid was fair and reasonable in the circumstances. So he didn't uphold the complaint. Mr and Mrs W asked for an Ombudsman's consideration.

Their complaint was passed to me. I felt Lloyds should pay a further £2,300 compensation. So I issued a provisional decision to explain my views. My provisional findings were:

"Having done so, I intend to uphold the complaint. I recognise that in paying £2,700 compensation so far, Lloyds has accepted it let Mr and Mrs W down in handling their claim. And I do think that in offering the sums it has it has genuinely been trying to resolve things. However, I think a total compensation award of £5,000 is due on this occasion. Which means, if my final decision in this respect remains the same and Mr and Mrs W accept it, Lloyds will have to pay a further £2,300.

I know Mr and Mrs W have said they are looking for compensation in the region of £20,000. But that is not in line with other awards made by this service. Only in very rare instances would we look to award more than £5,000. And many of the awards I make – where perhaps, for example, there are significant delays in repairing insured property damage – are more likely to fall in the region of £1,500. So I can't say that an award of £20,000 would be fair and reasonable. But I do think, a total of £5,000 would be in this instance.

I trust the parties will forgive my brevity in the background above. I can assure them that I have read and understood everything that has happened. The key point for me though is that this isn't really about delays in resolving a claim, and I don't really need to decide

whether or not Lloyds handled things in a reasonable manner during the two periods in question. That is because Lloyds has accepted that in both of those instances the further problems Mr and Mrs W experienced were due either to the original leak and/or its repairs. Which means that everything which occurred in 2016-2018, and 2020-2021 – in total a nearly three-year period – was avoidable and, therefore, an inconvenience and cause for upset which Mr and Mrs W did not need to suffer. And the need for repeated repairs like this has a cumulative negative impact on a homeowner/policyholder. Mr and Mrs W have both described how difficult it has been living through all of this – for me their frustration and exhaustion is palpable. As such I am satisfied that my above stated award is fairly and reasonably due.”

Mr and Mrs W said they accepted my decision. Lloyds said it disagreed with it.

Lloyds said that everything that happened in 2016-2018 and 2020-2021 was not avoidable. It explained again what had happened. It said that there was a further leak in 2016, some admitted consequences of some poor work it did in 2017 and then a further leak in 2020, the resolution for which was complicated and delayed by the Covid-19 pandemic. It asked that I reconsider my findings.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I note Lloyds' comments. But the files it submitted show that it accepted that the 2016 and 2020 leaks were continuances of the first loss/claim, with the damage which occurred in-between, in 2017, as having resulted from its poor work. So Lloyds comments in reply have not caused me to change my view on this complaint. My provisional findings, along with those here, are now the findings, of this, my final decision.

Putting things right

I require Lloyds to pay Mr and Mrs W a further £2,300 compensation where my total award is £5,000 and £2,700 of that has already been paid.

My final decision

I uphold this complaint. I require Lloyds Bank General Insurance Limited to provide the redress set out above at “Putting things right”.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 6 December 2022.

Fiona Robinson
Ombudsman