

The complaint

Mr B complains about how Lloyds Bank General Insurance Limited (“Lloyds”) handled a claim he made on his home insurance policy following a fire in his kitchen.

Any reference to Lloyds includes its agents.

What happened

Mr B has buildings and content insurance with Lloyds.

Unfortunately in March 2022 Mr B had a fire in his kitchen just after Christmas and so he made a claim on his home insurance policy.

Lloyds sent a loss adjustor to go out and assess the damage. Following this a schedule of work was produced but Lloyds wasn’t covering all of the kitchen cupboards. Mr B says he was concerned he wouldn’t be able to get a match for the existing cabinets if the whole kitchen wasn’t replaced due to the age of the kitchen. Mr B says Lloyds website states if a match can’t be found it will replace the whole kitchen but has refused to do so for him.

Mr B’s property wasn’t cleaned properly following the fire and wasn’t checked by an electrician to ensure it was safe – which he says he was expecting.

Mr B says he was without his kitchen for a period of eight months which led to an increase in costs for him since he wasn’t able to cook at home so he was getting takeaways and using his microwave.

Mr B wasn’t happy with the way his claim was handled and so he complained to Lloyds. Lloyds said its contractor was appointed to assess the damage to Mr B’s home and value the claim. Lloyds then provided Mr B with settlement options including providing Mr B with a cash settlement or having its own contractors carry out the work. Following this Lloyds said Mr B raised concerns over the safety of the electrics so it arranged for its contractor to go out and check the electrics. Lloyds said its contractor attempted to arrange the visit but Mr B declined. Lloyds have said its contractor have no concerns over the gas supply so won’t be assessing that further.

Lloyds said it offered to assist Mr B with the cleaning by appointing its contractor but Mr B told it the area had already been cleaned and needed to be redecorated. It offered its services to clean Mr B’s kitchen if he wanted to.

Mr B wasn’t satisfied with the response from Lloyds and so referred his complaint to this service. Our investigator looked into things for him. She said she didn’t think there had been delays in dealing with Mr B’s claim. And could see evidence Lloyds had tried to assist Mr B with cleaning and the electrics but he had declined this. The investigator said if Mr B allows access and Lloyds determines the damaged units can’t be repaired or restored then it should pay 50% of the value of any undamaged cupboards to reflect his loss of match.

Lloyds didn't agree with the investigator's view. It said it hadn't been given the opportunity to determine whether the damaged units could be repaired or replaced so it thought it was premature to agree to 50% of the cost of the undamaged units.

Because Lloyds didn't agree the complaint has come to me to decide.

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 understand Mr B has strong views about what has happened and I can empathise with the situation. I have read and considered everything I have received. My role is to consider the evidence to reach what I think is a fair and reasonable decision. I will focus on what I see as being the key issues.

Delays in dealing with the claim

The relevant industry rules say an insurer should handle claims promptly and fairly. The fire in Mr B's home was reported in March 2022, and Lloyds had the claim assessed and validated the following month. So I can't say there was a delay here.

I have reviewed the claim notes and can see Lloyds presented Mr B with a number of options in proceeding with his claim and were waiting for him to make that choice. As a result the claim has gone on longer than necessary. But I can't say Lloyds are responsible for this. I know my answer will be disappointing for Mr B but overall I think Lloyds has acted fairly and reasonably, and so I don't uphold this part of the complaint.

Increased expenses

On review of the information provided to me by Lloyds I can see the policy excess of £250 was waived to reflect the increase in expenses Mr B suffered as a result of not being able to use his kitchen fully.

I think this is fair and reasonable in the circumstances of this complaint and so I don't intend to comment any further on this part of the complaint.

Checking electrics and gas were safe

Mr B has said Lloyds didn't send anyone to check the safety of his electrics or gas following the fire. I can understand why Mr B might have been concerned about the safety of these following the fire. I can see Lloyds contractor had no concerns regarding the gas safety of Mr B's home following its initial visit. Lloyds also offered to go out and check the electrics at Mr B's home but despite several attempts to arrange an appointment Mr B didn't agree to allow them access.

And so I think Lloyds has acted reasonably here. Mr B reported his concern to Lloyds, Lloyds offered to arrange for its contractor to go out and check the electrics; and this is what I would have expected it to do. Lloyds can't be held responsible if Mr B hasn't allowed access to his home.

Replacing entire kitchen

I can see why Mr B wasn't happy when he was told Lloyds wouldn't be replacing the whole kitchen. Some of the units in Mr B's kitchen were damaged by the fire and he was concerned

the replacement cupboards wouldn't match the existing kitchen. So I can empathise with the position he found himself in.

Lloyds has said it hasn't yet determined whether the kitchen cabinets can be repaired or replaced. But Mr B made it clear from the outset of the claim that he wanted the kitchen units to match and so considered the only option to be to replace the entire kitchen. I have reviewed the documents provided by Lloyds and I can't see that it was explained to Mr B that there were several other options available to try and match the kitchen cabinets in the first instance. And I think this should have been explained and offered to him.

Matching sets

Mr B believes Lloyds should meet the cost of replacing the entire kitchen. I've looked at the policy terms relating to matching sets. In the section of the policy 'What is not insured' it states, "*replacement of sets.*" The policy says, "*we won't pay for any undamaged item that forms part of a matching set.*"

Lloyds have said it won't replace the undamaged cabinets even if the damaged units can't be replaced or repaired. It has cited the matching sets clause in the policy and confirmed Mr B didn't choose to pay a premium for matching sets cover.

But I don't think Lloyds has considered this part of the claim fairly. If the damaged units can't be repaired or restored it's likely there will be a loss of match. This means I think it would be reasonable for Lloyds to pay fair compensation for the loss of match.

However I don't think it would be fair for me to direct Lloyds to pay the full cost of replacing the kitchen given it hasn't all been damaged by the fire. It isn't strictly covered by the policy terms. So I've thought about what would be a fair and reasonable compromise for both parties. I think the fair outcome for this complaint would be for Lloyds to pay 50% of the cost of replacing the undamaged units in the kitchen, in the event the damaged ones can't be restored or repaired.

Putting things right

For the reasons explained above Lloyds need to do the following;

- Contribute 50% of the cost towards the replacement of the undamaged kitchen units.

To be clear in settling Mr B's claim Lloyds will need to repair, restore, or replace the damaged parts of the kitchen as per the terms of the policy, if indeed they can be. And Lloyds will carry 100% of the cost of that.

Lloyds will also need to pay 50% of the cost of replacing the undamaged parts of the kitchen units. That's in line with our usual approach where repairs or replacements can't be made to match the undamaged parts.

My final decision

For the reasons I've explained above I'm upholding this complaint and direct Lloyds Bank General Insurance Limited to do what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 April 2023.

Kiran Clair

Ombudsman