

The complaint

The executors for the estate of Mrs M have complained about Lloyds Bank General Insurance Limited's handling of a home insurance claim.

What happened

The late Mrs M held a home insurance policy with Lloyds Bank which covered a property she rented out. A claim was made by her representative (Mr M) after an escape of water happened at the property.

Lloyds Bank carried out repairs, but Mr M was unhappy with the contractor's work, as well as delays. Lloyds Bank issued a final response to the complaint on 10 November 2022. It accepted there had been delays and poor service, and paid Mr M £500 compensation.

The repairs were still ongoing at that time. Then on 24 November 2022, Mr M told Lloyds Bank that if the project wasn't completed to his satisfaction, he would seek compensation for various costs (including loss of rent, tenant relocation costs and meals, his and his family's time, costs associated with the bathroom layout change, and any other costs associated with the delays). Mr M also said the compensation paid by Lloyds wasn't acceptable.

Lloyds Bank issued a second final response letter on 11 January 2023. It made the following points to Mr M:

- He should submit a claim for loss of rental income, and it would review this.
- The policy doesn't cover alternative accommodation or food costs for tenants.
- Whilst it pays compensation for poor service, it doesn't cover loss of time or hourly wage.
- If he remained unhappy with any of the repairs or had any costs associated with the bathroom repair, he should contact the claims team for this to be considered.
- If he didn't want to accept the £500 previously paid, he should contact the Financial Ombudsman Service.

Mr M was unhappy with the response he received from Lloyds Bank, and so brought a complaint to the Financial Ombudsman Service on Mrs M's behalf. Mrs M sadly passed away after the case was brought to us.

Our investigator didn't recommend the complaint be upheld. She thought Lloyds Bank could have handled the claim better than it did, though she noted Lloyds Bank had paid Mr M £500 compensation. She explained that as Mr M wasn't an eligible complainant under our rules, we couldn't consider any impact the matter had had on him personally. As Mr M had raised some new issues that hadn't been considered by Lloyds Bank, she suggested he contact Lloyds Bank directly about those matters.

The executors didn't accept our investigator's findings, and so the matter has been passed to me for a decision.

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'm sorry to hear about Mrs M passing away. I appreciate it must be difficult for those looking after her estate to deal with her financial affairs.

Mr M initially wanted to arrange for his own contractor to do the repairs. Lloyds Bank offered him a cash settlement based on the amount its own contractor would charge. Given that Lloyds Bank was willing to do the repairs, I'm satisfied Lloyds Bank acted reasonably here. Mr M makes the point that he couldn't find a contractor to carry out the work for the cash settlement amount he was offered, but that isn't unusual. Insurers often have established relationships with contractors where agreed rates are below the market price.

Mr M therefore agreed for Lloyds Bank to arrange for its own contractor to carry out the repairs. I see that Mr M experienced several issues with the contractor when he was acting as Mrs M's representative, including unnecessary delays, poor communication, and tradespeople not turning up when they were booked in. I can understand Mr M's frustrations with the contractor, and it's apparent that he was caused inconvenience during the repairs.

However, the eligible complainant here was Mrs M. The estate has the legal authority to bring a complaint on behalf of Mrs M following her death. But I can't compensate the executors or Mr M for anything Lloyds Bank did that impacted him personally when he was acting as Mrs M's representative. Lloyds Bank decided to pay Mr M £500 compensation, but I can't require it to increase this amount.

The tenants had to move out whilst the repairs were taking place. Mr M says that Mrs M lost out on rental income as a result of this. Lloyds Bank asked Mr M to make a claim for the loss of rent if he wanted it to consider this, which I think was reasonable.

Mr M says that the bathroom layout had to be changed after the contractor broke the existing shower tray (a similar size shower tray couldn't be obtained). He says he had to pay for new bathroom fixtures and fittings because of this. Mr M also told us that the contractor couldn't refit the existing bathroom blind after the tiling had been done.

Lloyds Bank asked Mr M to send his invoices to it for review. I see that our investigator passed on this information to Lloyds Bank for Mr M, and Lloyds Bank has since agreed to pay £1,016.08. If the executors are unhappy with this amount, they should raise this with Lloyds Bank in the first instance.

Mr M also says the wrong paint was used in the kitchen and the tiling was laid in a brick pattern which he didn't want. We raised these issues with Lloyds Bank, but it said they hadn't been raised with it previously. Lloyds Bank wants the opportunity to consider these issues before this service does so. The executors should therefore raise their concerns directly with Lloyds Bank, if they haven't already done so. If they're unhappy with the response they receive, they may be able to bring a new complaint to us.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs M to accept or reject my decision before 3 July 2024.

Chantelle Hurn-Ryan
Ombudsman