

The complaint

Mr B complains about Lloyds Bank General Insurance Limited (Lloyds) handling of a subsidence claim on his home insurance policy.

Any reference to Lloyds includes respective agents.

What happened

The background of this complaint is well known to both parties. So, I'll summarise the key points I've focused on within my decision.

Following a subsidence claim made on the policy in 2020. Mr B is unhappy Lloyds will not underpin the property, has rejected to cover the garden wall under the claim, and didn't send a report it promised to send him.

Lloyds has said it resolved the subsidence without the need to underpin the property and agreed it had made shortfalls in its service to Mr B and compensated him £150 for these errors.

Our investigator didn't uphold the complaint. Mr B didn't agree, so the complaint has been passed to me, an Ombudsman to make a final 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.

In making my decision I need to consider what's fair and reasonable in all the circumstances of the case, taking into account relevant law and regulations; regulators' rules, guidance, and standards; codes of practice; and (where appropriate) what I consider to have been good industry practice at the time.

The relevant industry rules and guidance say insurers must deal with claims promptly and fairly, provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress; and not to unreasonably reject a claim. Insurers should settle claims promptly once settlement terms are agreed.

I can see after the subsidence claim was made in 2020, monitoring and mitigation work began but Mr B thinks underpinning is necessary. Mr B also wants Lloyds to cover the front garden wall as he thinks this has been affected by the subsidence.

Having looked at the evidence provided I can see from the monitoring results taken after the drains work and vegetation was reduced that the property stabilised. I have no contradicting evidence to show the property is still moving. I am therefore satisfied that as the property has shown stability that there is currently no need for further mitigation works such as underpinning. I wouldn't expect an Insurer to complete such works unless other mitigation hasn't worked. I understand Mr B is particularly concerned about the pillar and I can see this

is on the schedule of works. If when the repairs are fully completed, Mr B is unsatisfied with the repair works or the damage returns, then Mr B should make Lloyds aware of his concerns and if he remains unsatisfied with Lloyd's response to any further complaint then he can of course ask this service to look into this for him.

With regards to the garden wall, in April 2023 Lloyds wrote to Mr B and explained it had reviewed the information on the claim and it didn't think at that time, its contractor had shown it had enough evidence to reject subsidence to the garden wall. It therefore paid Mr B £75 as redress and confirmed a new report would be completed and sent to Mr B. I'm satisfied that this course of action by Lloyds was fair.

Following this I can see Mr B felt the need to raise a further complaint as he didn't receive the report as promised. And in May 2023 Lloyds upheld Mr B's complaint. It apologised for the delay in sending the report. And it advised it had spoken to the contractor directly to resolve the matter. Lloyds paid a further £75 compensation. I'm satisfied that the compensation is in line with what I would've recommended so I won't be instructing it to pay anything further.

Once the report was completed Lloyds maintained the rejection of the garden wall. It explained that following a review, the garden wall is leaning from top to bottom and says this is due to the sloping garden and the wall is suffering from the load and weight of the garden behind it. It has said the wall was not designed as a retaining structure. As such the cause is not subsidence and the damage is being caused by a combination of poor workmanship and defective design. This type of damage unfortunately isn't covered by the policy terms and conditions.

I appreciate Mr B has said his neighbours have the same topography and their walls are not suffering from the same issues, and he says he has been told previously from Lloyd's contractors that the damage to the wall was caused by the tree. I understand Mr B feels Lloyds are concealing information – 'lost' reports that favour his position. But I have not seen any evidence to suggest this and without anything to contradict Lloyd's position I'm satisfied that currently Lloyds do not need to do anything further.

I appreciate that this will be disappointing to Mr B, however, if any further evidence such as a professional report is supplied by Mr B to Lloyds that contradicts how the damage has been caused, I would expect Lloyds to consider its position further.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 31 May 2024.

Angela Casey
Ombudsman