

The complaint

Miss M complains about Lloyds Bank General Insurance Limited's handling of her home insurance claim.

Lloyds is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Lloyds has accepted it is accountable for the actions of the agents, in my decision, any reference to Lloyds includes the actions of the agents.

What happened

In mid-2018, Miss M made a claim under her home insurance policy with Lloyds after a car drove through the front of her house. After the emergency services arrived, Miss M says she tried calling Lloyds but she had difficulty getting through to it and was told there was nothing it could do as it was the weekend. She eventually managed to get the house secured and found somewhere to stay.

Lloyds arranged for repairs to be carried out by its approved contractor. Miss M says the accident caused relatively little damage to her house. However, the contractor who carried out the repairs didn't comply with the agreed specification. After he was asked to rectify his work, he caused more damage.

Lloyds made a number of further attempts to rectify the work, but each time it got worse. This resulted in a need for reconstruction of an area three times the size of the original damage.

After an outside bricklayer was brought in, the brickwork was repaired within a couple of days. The brickwork was completed in October 2020, almost 2.5 years after the accident.

The internal repairs didn't begin until May 2021. Miss M wasn't initially offered alternative accommodation, but this was agreed after she advised Lloyds of an underlying medical condition. Miss M says the work wasn't organised and was completed on an ad hoc basis. Miss M raised concerns about the quality of the work and the condition the contractors had left her property in.

It was agreed that further work needed to be carried out. This was completed in August 2021. However, Miss M later identified some snagging issues.

In September 2021, Miss M was diagnosed with chronic stress which she says was as a result of the issues with the claim. She was signed off from work for the remainder of the year.

In March 2022, Miss M contacted Lloyds about the claim and she was asked to compile three lists: defective/poor quality works, outstanding expenses and service or other issues. Miss M says she didn't contact Lloyds again until October 2022. She sent an email accompanying the lists. She says she was hoping for a small settlement rather than forcing any formal complaints procedure. However, Lloyds registered a complaint on her behalf.

In November 2022, representatives from Lloyds and its contractors met with Miss M. She says her stress reaction kicked in unexpectedly causing her to lose strength in her legs and to have difficulty thinking. Miss M says she felt uncomfortable during the meeting and everything on the list was questioned. This was done so much that she accepted most things on the list as not being required. Following the meeting, Miss M agreed for a cash settlement to cover items removed from the list.

A representative from Lloyds telephoned Miss M about her complaint and offered her £2,000 compensation. Miss M felt it was extremely low for what had happened.

Further work was carried out in April 2023 and Miss M told us this was almost completed when she brought her complaint to our service. However, Miss M was unhappy with Lloyds' response to her complaint which she felt was misleading and had trivialised her pain and suffering.

While Miss M's complaint was with our service, Lloyds offered to increase its compensation award to £3,500. However, Miss M didn't think this was enough to put things right.

Our investigator acknowledged that Miss M had received a poor service from Lloyds' contractors, and this had impacted her health. But he thought Lloyds' offer of compensation was in line with what our service would typically award under the circumstances.

Miss M disagreed with our investigator's outcome. She made a number of comments about what had happened during the claim and the impact it had had on her. She said the impact of living as she'd had to for 4.5 years was underestimated and in no way compensated her for what she'd been through. So, the complaint has been passed 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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Miss M has told our service, but I'll be keeping my findings to what I believe to be the crux of her complaint. I wish to reassure Miss M I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

To be clear, in this decision I have only considered matters Miss M has complained of up until the date of Lloyds' final response letter of November 2022.

Lloyds has acknowledged that Miss M was seriously let down by its appointed contractors and its handling of the claim. It's also acknowledged that it should have done more to support her with the stress caused by the impact damage, given her health conditions, and that its communication should have been better. So, the only matter that remains for me to decide is whether the £3,500 Lloyds believes is fair compensation is enough to put things right. While I've considered everything that's happened, I will focus on some of the key events Miss M has raised during the claim.

Lloyds says it doesn't have any details of an emergency call being made by Miss M to register her claim on the night of the incident in May 2018. Miss M says she was cut off

when her call was on hold, and she wasn't able to get through to Lloyds again. So, I think it's likely that her call to the emergency helpline wasn't noted.

Lloyds says it's usual for the emergency services to arrange for a property to be secured in these circumstances. I can see that Lloyds refunded Miss M for the cost of securing the property, after deducting the policy excess. However, the policy booklet includes a 24 hour emergency helpline number and says to call it to arrange for a tradesman to make emergency repairs to "*damaged roofing, locks, doors or windows to secure your home.*" So, I think it would have been frustrating and upsetting for Miss M to find that she couldn't get help with this when the incident first happened. And I've considered the impact of this in the amount of compensation I think Lloyds should pay to put things right.

I can see that Lloyds and its contractors visited the property a few days after the incident. Lloyds' contractor gained access to the property and secured it afterwards. Miss M says Lloyds' representatives cleared the hallway and stacked reusable bricks neatly in the garden. She was helped with retrieving some of her possessions and emptying the fridge freezer. Miss M has commented that it was a very well managed experience and made her feel better than she had when she arrived.

Repairs to the property began around two months after the incident, in July 2018 and Miss M raised concerns about the standard of work shortly afterwards. Lloyds has acknowledged that brickwork was damaged by the initial contractor. It looks like there were issues with sourcing brickwork following this. There were months of inactivity during various periods and other contractors were involved before Lloyds eventually agreed for a bricklayer Miss M had sourced to do the work. The brickwork wasn't completed to a satisfactory standard until October 2020, which was almost 2.5 years after Miss M first made her claim. This was clearly an unacceptable delay which caused Miss M a lot of frustration and inconvenience.

The internal repairs began in May 2021. I can see that Lloyds agreed to cover the costs of Miss M staying in alternative accommodation while the work was completed. I appreciate Miss M thinks she shouldn't have needed to tell Lloyds about her medical condition for alternative accommodation to be agreed. However, the terms of the policy only require Lloyds to cover the cost of alternative accommodation if the property is uninhabitable. Miss M has told us she still had cooking, washing and toilet facilities and I haven't seen anything to suggest the property was unsafe to live in.

The alternative accommodation was booked for four weeks. But it looks like this didn't allow enough time for the works to be completed. And Miss M also raised concerns about the quality of the work that was done. Lloyds offered for Miss M to stay in a hotel, but she says this wasn't suitable for her because she needed space to carry out exercises recommended by her physiotherapist each evening. Miss M told Lloyds she would have struggled moving her possessions into a hotel and would have been uncomfortable eating out every day because of the pandemic.

When Miss M returned to the property, she found the tap was left running, the windows were left unlocked, and the bathroom had been used without her agreement. This was very upsetting for her.

Miss M says that further works were carried out while she was in the property and Covid precautions weren't taken by the builders, which caused her anxiety. Her belongings were packed away in crates which had been moved by the builders, which meant she had difficulty accessing them.

Miss M says she'd never experienced issues with her mental health prior to her claim. I don't doubt what she says about this. However, the documentation she's provided doesn't

mention the cause of her mental health issues. The letter from her doctor says she first presented at the GP with symptoms suggestive of anxiety in August 2018. This was around three months after the car crashed into her house. Miss M has told us that she was in her house at the time and the car ended up being only two metres away from her. She's also told us she was treated for shock at the time. So, I'm not persuaded there's enough evidence to separate the impact of Lloyds' mistakes from the wider impact of the traumatic incident of the vehicle hitting her home being the sole cause of her anxiety.

Miss M has told us she had a few months off work from September 2021, which is shortly after the second set of internal works were carried out to her home. Miss M says her GP told her she was suffering from chronic stress, and this affected her mentally and physically. I think the delays and issues Miss M has experienced as a result of the poor handling of her claim are likely to have made a big contribution to her health issues.

I understand that Lloyds' poor handling of Miss M's claim caused disruption to her life over an extended period. She says she'd been living among storage boxes she hadn't been able to enjoy her house because of the work that's needed, and no longer had visitors.

Miss M was caused sustained distress which affected not only her mental health but her physical health too. She's told us that anxiety has caused her muscular pain and she's experienced loss of strength at times when she's been particularly distressed.

However, Lloyds has offered to pay Miss M £3,500 to compensate her for the impact its poor service has had on her. I think this is a reasonable attempt to put things right and it is within the range of what our service would typically award under the circumstances. So, whilst I understand my answer will be disappointing for Miss M, I'm not persuaded to increase this.

Putting things right

Lloyds should pay Miss M £3,500 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Miss M's complaint and direct Lloyds Bank General Insurance Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 5 January 2024.

Anne Muscroft
Ombudsman