

## **The complaint**

Mrs P complains about how Lloyds Bank General Insurance Limited (“Lloyds”) dealt with a claim she made on her home insurance policy.

Mrs P’s daughter has brought this complaint on her behalf but for ease I’ll refer to Mrs P throughout my decision.

## **What happened**

Mrs P has home insurance with Lloyds.

Mrs P is vulnerable with significant mobility issues. She lives alone and walks with the aid of a walker. Mrs P says these were considered or factored in the handling of the claim.

At the beginning of June 2022 Mrs P had a leak in her kitchen. She reported it to her insurer who sent out a leak detection engineer. It transpired the leak was coming from under the concrete floor.

Mrs P went back and forth with Lloyds about whether she was covered for the work or not. Once it was established that cover was in place Lloyds referred the matter to a surveyor to scope the work. Mrs P then had to deal with a number of different people trying to get the repairs completed.

There were several delays to the work which meant Mrs P was having to boil water and carry the kettle to the bathroom to wash up and bathe. This was difficult given the mobility issues.

Mrs P was left without hot water for several weeks and her kitchen was blocked by cabinets and debris during the works. She was left without access to washing and cooking facilities for weeks. Mrs P’s fire exit was blocked by the cabinets and debris and so there was only one way in and out of the property.

In November 2022 the work to reinstate the kitchen commenced, five months after the initial leak. Mrs P was offered a temporary kitchen but wasn’t sure it was safe due to her mobility issues. She asked for further information regarding the temporary kitchen but says it wasn’t forthcoming.

Mrs P wasn’t happy with the service she received so she complained to Lloyds. Lloyds said it agreed there were delays and further issues with the water supply. It said the time it took to collect the kitchen units was longer than expected. Lloyds also accepted the drying process was prolonged due to a leak from a pipe it had previously repaired. So it apologised for the inconvenience and awarded Mrs P £450 to reflect the distress and inconvenience caused.

Lloyds didn’t agree the back door was obstructed by the units or that Mrs P didn’t have access to the oven and microwave. Lloyds said there was a level of inconvenience due to the sink not being accessible but it had made suggestions for ways this could be minimised but these were rejected.

Mrs P disagreed with Lloyds. She said moving the kitchen units to another room wasn't possible because of space. Furniture would have had to be moved around and Mrs P needs the space to walk since she uses a walker. Mrs P also says the garage was full so there was no space for the units to be stored there. Because Mrs P didn't agree she referred her complaint to this service.

Our investigator looked into things for her. She said she didn't think Lloyds had acted fairly. She said she thought it hadn't taken her specific needs into consideration when dealing with the claim and hadn't offered alternative accommodation for the duration of the claim. The investigator said the level of compensation should be increased to £750, plus a disturbance allowance of £430 based on the industry standard of £10 per day.

Mrs P didn't agree with the outcome. She said she was without cooking facilities and hot water and proper access in and around her home for several months. This had a substantial impact on her health and wellbeing given her age and vulnerabilities.

### **My provisional decision**

I recently issued a provisional decision setting out my thoughts on the key complaint points and how I thought matters might be best resolved. I said;

*"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'm upholding Mrs P's complaint – and for much the same reasons given by the investigator. I've explained my rationale below, but before I do I want to acknowledge that I've summarised events in my own words and in far less detail than what's been provided to me. If I've not mentioned anything it's not because I haven't considered it – I've carefully reviewed all the evidence submitted by both parties. Instead I've focussed on the key elements of the timeline and what I consider to be the crux of the complaint – in line with our remit as a quick and informal alternative to the courts. No discourtesy is meant by that, nor is it my intention to minimise in any way what Mrs P went through.*

*A claim of this nature, where restoration works were required in the key areas of the home, was always likely to be a very disruptive and stressful experience for Mrs P. Ultimately the leak resulted in the damage to Mrs P's kitchen. But I've had to decide what impact Lloyds has caused over and above what might reasonably be expected, through its handling of the claim. Bearing that in mind it's my intention to uphold the complaint.*

*Having considered the information available to me I think Lloyds needs to pay Mrs P more compensation for the distress and inconvenience caused to her. But not to the level Mrs P has indicated to our service. I've considered Mrs P's comments carefully about why she feels further compensation payments are due. And whilst her submission goes into some detail about the events which occurred I can only consider compensation for avoidable delays, and distress or inconvenience which were as a result of Lloyds' action, and which impacted Mrs P directly. I have no power to consider the impact or costs to Mrs P's family, or anyone who isn't a named policyholder.*

*Delays*

*Based on everything I've seen during the claim between June 2022 and November 2022 it's clear there have been avoidable delays by Lloyds in dealing with this claim. For the most part this can be attributed to length of time taken for the leak detection contractor to attend, the time taken for the site visit to complete the scope of repairs, and the issues with the*

*further leak and extra time taken to dry out the property. There was confusion and delay over when the kitchen units would be collected.*

*On review of the timeline of events I think Lloyds should have been able to establish and repair the fault much sooner than it did. It should also have taken Mrs P's circumstances into account in its handling of the claim and I can't see it did this. It's clear the delays caused significant inconvenience for Mrs P as she was without hot water for a prolonged period. I think the situation would also have caused her a lot of worry and day to day disruption.*

*This should have been better monitored by Lloyds given that Mrs P was a vulnerable consumer. And its arguable that Mrs P's circumstances should've put Lloyds on notice from the first notification of loss call.*

*The Financial Conduct Authority ("FCA") guidance for businesses on the fair treatment of vulnerable consumer states, "Firms should take additional care to ensure they meet the needs of consumers at the greatest of harm...firms should also act early to prevent risk of harm emerging or growing."*

*The guidance also states, "firms should be asking themselves what types of harm or disadvantage their customers may be vulnerable to, and how their own actions can increase or reduce the risk of harm."*

*I've thought about how this applies in the circumstances of Mrs P's complaint. Mrs P has explained she was due to have hip surgery and had issues with her mobility. She also lived alone. But Lloyds went back and forth with Mrs P on whether she had cover in place. And it's probable that this initial delay added to the overall length of the claim and this had a knock-on effect to the later handling of the claim.*

*Overall I'm not persuaded Lloyds has given sufficient consideration to Mrs P's circumstances in its offer of compensation. So I find an additional payment of £750 would fairly reflect the heightened distress and upset caused to Mrs P.*

#### *Alternative accommodation*

*I agree with the investigator's findings in respect of the alternative accommodation. There is no evidence on the file to suggest alternative accommodation was offered. In the circumstances I would have expected Lloyds to discuss alternative accommodation with Mrs P given she was without hot water or kitchen facilities. The investigator has suggested a payment of £430 by way of a disturbance allowance for the time Mrs P was without access to her kitchen and hot water and I think this is fair in all the circumstances. The calculation is based on industry standard rates of payment for disturbance allowance.*

#### *Compensation*

*I think having various tradespeople visiting on many different occasions was inconvenient and having to liaise with various parties had been added effort. Given the mobility issues Mrs P described, this matter would have caused her greater inconvenience and distress. It's clear from Mrs P's testimony that the matter had an impact on her quality of life. I accept that the situation had been distressing for Mrs P and had caused a serious amount of disruption to her daily life for many months. So I think on top of the disturbance allowance recommended by the investigator I think Lloyds should pay total compensation of £1,500 for the distress and inconvenience caused.*

*I understand Lloyds has recently sent Mrs P £1,180 so I intend to direct it to pay the remaining amount of £750.*

*My decision is likely to be for Lloyds to pay Mrs P £1,500 for the distress and inconvenience caused plus £430 by way of disturbance allowance.*

### **Response to my provisional decision**

I asked both parties to send me any further evidence or arguments they wanted me to consider. Lloyds accepted the findings in my provisional 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 light of the fact Lloyds agreed with the findings set out in the provisional decision (which I've reproduced here and which forms part of this final decision), I'm satisfied it represents an appropriate way to resolve the dispute. For the reasons set out I'm upholding Mrs P's complaint.

### **Putting things right**

I direct Lloyds Bank General Insurance Limited to;

- Pay Mrs P £1,500 for the distress and inconvenience caused less any amount already paid
- Pay Mrs P £430 by way of disturbance allowance.

### **My final decision**

For the reasons explained above I'm upholding Mrs P's complaint and direct Lloyds Bank Insurance Limited to put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 12 December 2023.

Kiran Clair  
**Ombudsman**