

The complaint

The estate of Mrs R, represented by its executors, Mr R and Ms R, has complained about Lloyds Bank General Insurance Limited. It is the property insurer for the property subject of the will.

Mr R has mainly dealt with the claim and complaint. For ease of reading, I'll mostly refer only to him.

What happened

A claim for subsidence was made in 2019, shortly after Mrs R had passed away. The claim was ongoing at the end of 2022 when Lloyds made a cash offer to settle matters. On 14 December 2022, Lloyds issued a final response letter (FRL) regarding concerns the estate had raised with it at that time.

On 20 December 2022 Mr R told Lloyds he was composing a letter regarding issues of concern he had with the scope of work the cash settlement was based on. He also told Lloyds he wanted to see a fully priced scope from it. That letter was duly sent and Lloyds' loss adjuster responded in mid-January 2023. Lloyds, on 17 February 2023, issued a FRL covering both of Mr R's concerns, about the content of the scope and it not showing prices.

Lloyds said it can't provide a scope showing all costings, because that is commercially sensitive information. Regarding the schedule needing amending, it said a joint site visit would be organised so the remaining issues of concern could be fully discussed.

In July 2023 Mr R and Ms R brought the estate's complaint to the Financial Ombudsman Service.

Our Investigator confirmed the limited nature of the scope of this complaint. He felt it had been fair for Lloyds to refuse to share a costed schedule. He noted that Lloyds had offered a site visit, which he felt was a reasonable way to resolve any outstanding concerns over the scope. Our Investigator acknowledged some errors in the scope but noted they can vary as claims progress. However, he felt Lloyds had not managed the estate's expectations in this respect. He said £200 compensation should be paid.

Mr R said the claim as a whole had been going on for far too long. He said it had impacted the estate's administration of the will, preventing it being settled. He argued there'd likely be a financial loss to the estate as a result. Mr R said the failings in the scope had been unprofessional and negligent. He added the joint site visit had not progressed as proposed. Mr R said it was putting the estate at a disadvantage to not have a costed scope, or at least a clearly worded and defined scope. He said the policy booklet bound Lloyds to offering all help necessary to its policyholder – and the help he needed here was a fully costed scope.

Our Investigator provided some further responses to Mr R. Mr R remained unhappy.

In response to Mr R stating he would send in some medical evidence about how he personally had been affected, our Investigator clarified that the estate is the complaining party. Mr R acknowledged that.

The complaint was referred for an Ombudsman's 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.

Having done so, I find Lloyds didn't produce a wholly accurate or clear schedule. I think that caused inconvenience for the estate and it should be compensated. As noted by our Investigator and acknowledged by Mr R, any effect personally on Mr R can't be taken into account as he [REDACTED].

Costed scope

I appreciate that Mr R feels the estate is at a disadvantage if it does not have a costed scope. However, a breakdown like that would contain commercially sensitive information. As such this service generally finds it reasonable for an insurer to treat the information as confidential. Nothing I've seen here makes me think Lloyds should reasonably be made to step away from that approach.

Accuracy of schedule

I also appreciate that Mr R has identified some lack of clarity within the scope, as well as some errors. A scope of work, as our Investigator explained, is a fluid document and it will often be varied during the course of the works. Lloyds should have been clear with Mr R that the scope could be changed after work began, I don't see it did that. But, as a starting point, it should be generally accurate and reasonably clear. The loss adjuster's accepted, for example, that some measurements were missed from the schedule – which meant it wasn't clear. The loss adjuster, in another example, also accepted that costs had not been included for capping off a gas pipe situated in the area of work. That's work that was or should have been obvious, it's not reasonable it was overlooked. So, as a starting point, the scope was not reasonably clear and accurate.

Timeline

It was December 2022 when Mr R highlighted issues with the scope to Lloyds. He was asked to provide details. I know he found that onerous, but as he had concerns, he needed to make them clearly to Lloyds so it could deal with them. I can see that once he put his concerns forward, Lloyds' loss adjuster answered those in detail – set out in a document dated 18 January 2023. Lloyds then issued its FRL on 17 February 2023, which confirmed a joint site visit would be arranged to address outstanding concerns and enable an amended, finalised scope to be produced.

Was Lloyds' response reasonable?

In the main I think it was. Mr R identified some concerns in the scope it had produced. It considered those concerns and accepted that some failures had occurred. Some of the failings, such as the missing measurements, it agreed to amend. And others it proposed to address in a joint site meeting. In respect of correcting the scope, I can't reasonably have expected it to do anything more.

However, I don't think Lloyds' response addressed the inconvenience caused to the estate during this period in question. I think that during the two months or so between Mr R raising his concerns about the scope in December 2022, and Lloyds' FRL in February 2023, the claim was delayed somewhat. If Lloyds scope had been reasonably accurate and clear, then Mr R wouldn't have had so many concerns about it, and Lloyds' loss adjuster wouldn't have had so many points to respond to. Further Mr R, acting for the estate, wouldn't have had to put in so much time and effort. I accept the estate suffered some inconvenience as a result of the delay and time/effort spent by Mr R. I'm satisfied that, for the inconvenience caused during this two-month period, £200 compensation is fairly and reasonably due.

Financial loss due to generally delayed claim

I note that Mr R has said that, because the claim as a whole has been delayed by Lloyds over a four-and-half year period, it hasn't been possible to complete the will and the estate will suffer a financial loss in respect of relevant taxes. However, that was not the basis of the concerns highlighted to Lloyds in December 2022, which then became the complaint regarding errors in the scope and Lloyds' refusal to provide a costed copy of the same. That is the complaint I have addressed here. I can't comment on the concerns raised more recently about the claim journey as a whole or how that may have impacted the estate.

My final decision

I uphold the complaint. I require Lloyds Bank General Insurance Limited to pay £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs R to accept or reject my decision before 1 March 2024.

Fiona Robinson
Ombudsman