

The complaint

Miss F complains about Lloyds Bank General Insurance Limited's handling of a claim she made under her home insurance policy.

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 June 2023, Miss F made a claim under her home insurance policy with Lloyds after an escape of water caused damage to her property.

In July 2023, Miss F raised a complaint about Lloyds' handling of her claim which Lloyds said was resolved on 19 July 2023. However, the buildings side of her claim was still ongoing.

Miss F raised some further concerns about delays in the progression of her claim and the service she'd received. She was unhappy that she'd had to find a specialist solar plumber to disconnect, remove and reinstall her hot water tank so that Lloyds' contractors could repair her damaged floor.

The reinstatement work was due to start on 27 October, but it wasn't carried out as planned because the damage was more extensive than anticipated. Miss F was left without heating and hot water, so Lloyds arranged for her and her child to stay in a hotel. A few days later Miss F told Lloyds her child was upset and wanted to go home. She asked Lloyds if she could have some heaters so they could move back into the property. She says Lloyds told her it would extend the hotel accommodation but wouldn't provide heaters so they could return home.

Lloyds issued a response to Miss F's complaint on 6 November 2023 which acknowledged some service failure. It offered Miss F £200 in recognition of the service and delays she'd experienced.

Miss F remained unhappy and asked our service to consider her concerns.

Our investigator didn't think Miss F's complaint should be upheld. He acknowledged there were delays and a lack of communication from Lloyds throughout the claims process. But he thought the £200 compensation Lloyds had paid Miss F was fair and reasonable.

Miss F disagreed with our investigator's outcome. She didn't agree £200 compensation was a fair amount. She said it didn't cover time lost due to having to take emergency leave, let alone the impact of having to move out of her home as a direct consequence of Lloyds' delays on her and her child.

Miss F said Lloyds' delays and poor service had also impacted her financially. She said she'd made over 40 phone calls to chase things totalling 6 hours on the phone and felt she should be compensated for this at her hourly rate. She said she'd had to take leave to

accommodate the visit from Lloyds' surveyor and unpaid leave when she had to stay in the hotel. She also spent over £40 on meals during the time she and her child stayed in the hotel. She said the total financial impact to her was £1,158, which was why she didn't agree £200 was acceptable. It didn't even cover what she'd lost, let alone provide any form of compensation for the stress the whole ordeal had caused.

As Miss F disagrees with our investigator's outcome, 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 decided not to uphold Miss F's complaint. I'll explain why.

Miss F's concerns about Lloyds' actions up until 19 July 2023, have already been considered by our service in a separate complaint. To be clear, in this decision I have only considered matters Miss F has complained of that occurred from 19 July 2023 up to Lloyds' final response letter of 6 November 2023.

Lloyds has acknowledged some poor service and delays in progressing Miss F's claim, and it's paid her £200 compensation. So, I've needed to consider whether the £200 it's paid her is enough to put things right.

Miss F says three days of her summer holiday were taken up searching for a solar thermal plumber as Lloyds' agents would not do it. From what I can see, Lloyds tried to get a contractor from its approved network to carry out the work but there wasn't anyone who could. I appreciate it was inconvenient for Miss F to have to source a solar plumber herself, but the terms of the policy allow Lloyds to decide how to settle a claim. If an insurer is unable to arrange for the work to be carried out by its approved contractors, I'd expect it to cover the costs of the work being carried out by a consumer's own contractor. It looks like Lloyds agreed to pay the costs of the work carried out by the solar plumber. I think this was reasonable.

I understand that Miss F emailed the plumber's quote to Lloyds in mid-August, and it took a couple of weeks to be approved. It seems that part of the delay was because Miss F's original email came through as blank. I think Lloyds' communication with Miss F could have been better here, but I don't think there was an unreasonable delay in approving the quote.

It's unclear why it took a further eight weeks for reinstatement works to be scheduled to begin. Lloyds has accepted responsibility for a delay here. Looking at the notes, I think it could have been more proactive in trying to progress the claim and in keeping Miss F informed.

Unfortunately, Lloyds' contractors found that they couldn't carry out the reinstatement work as planned because the damage was more extensive than anticipated. I understand this was very upsetting for Miss F, who had been without hot water or heating since the plumber disconnected the solar thermal system and removed the hot water tank the day before. However, Lloyds arranged hotel accommodation for Miss F and her child that evening.

Miss F says the move into hotel accommodation for her and her child was traumatic. She says she had to take three days off from work because her child was so upset, and he didn't have any of their own things to play with. She says she asked Lloyds if it could provide some temporary heaters so they could move home. Lloyds told her it would extend the hotel but

wouldn't provide heaters. Miss F says she was able to borrow the heaters so they could return home, but she had to drive around to collect these.

Miss F says the engineer Lloyds sent to repair her floor told her the additional work was needed because it had been left for so long. I appreciate Miss F believes that she and her child would never have had to go into alternative accommodation if Lloyds had dealt with her claim more quickly. However, I don't have any firm evidence to show me that. In any event, I think Lloyds' offer of hotel accommodation for the time Miss F was left without hot water or heating was reasonable. While I understand why Miss F made the decision to take time off work to be with her child, I'm not persuaded that Lloyds needs to compensate her for this.

Miss F has complained that she incurred an additional expense due to Lloyds not covering the cost of meals while she was placed in alternative accommodation. She's provided a screenshot of her bank statement to show costs she incurred from having to eat out while she and her child were in the hotel. However, there's no mention of Miss F raising this issue in Lloyds' notes or its final response letter of 6 November 2023. So, I'm unable to consider this matter in my decision. Miss F may wish to ask Lloyds if it's willing to reimburse her for these expenses if she hasn't already done so.

Miss F says it took almost five months from making her claim for the repair work to be completed, which she feels is significantly longer than it should have taken. She says she had to make many hours of phone calls to try to get the claim resolved. Her child had to sleep in her bed the whole time because of the damage to the floor and mouldy carpet in his bedroom. She says the situation has also impacted her mental and physical health.

I understand this has been a disruptive and distressing experience for Miss F and I empathise. However, when thinking about a fair award for compensation, I need to separate the impact of the escape of water event itself from the additional distress and inconvenience Miss F has experienced as a result of Lloyds' poor service.

Even if the claim had been handled efficiently throughout, Miss F would still have experienced inconvenience as part of the claims process. I can only award compensation for distress and inconvenience Lloyds has caused which is over and above what we would usually expect from this type of claim.

I appreciate Miss F feels she should be compensated for time she spent chasing Lloyds at her hourly rate. However, Miss F has made her claim in her personal capacity so her professional hourly rate isn't relevant here. We wouldn't usually make a specific award for a consumer's time, but I have considered the additional inconvenience Miss F experienced as a result of Lloyds' poor communication.

For the period I'm able to look at, I think Lloyds should have done more to progress Miss F's claim. If it had, it may have reduced the time Miss F was waiting for her property to be repaired by several weeks. I also think it's communication with Miss F could have been better. However, I think the £200 compensation Lloyds has paid Miss F reasonably recognises the additional distress and inconvenience its service failings have caused her. So, while I appreciate this will be disappointing for Miss F, I'm not persuaded to increase this.

My final decision

For the reasons I've explained, I don't uphold Miss F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 16 April 2024.

Anne Muscroft
Ombudsman