

The complaint

Mr and Mrs G complain about the way Lloyds Bank General Insurance Limited (“Lloyds”) has handled a claim for subsidence.

What happened

In 2023, Mr and Mrs G made a claim under their home insurance policy with Lloyds, for subsidence at the back of their conservatory. Lloyds appointed its subsidence specialists to carry out site investigations to determine the cause of the subsidence.

Lloyds’ specialists said that the monitoring confirmed the principal cause of the minor foundation movement to the extension and conservatory was root ingress and moisture demand from the offending vegetation within the boundary. It was recommended that a 400 year old tree be cut down. Mr and Mrs G objected to this.

Mr and Mrs G were asked to provide quotations for all the necessary work to repair the floor and fit roof barriers, as an alternative to cutting down the tree. Quotes were provided for the work, but Mr and Mrs G were then told that monitoring would need to be carried out again as the original results were incorrect and root barriers would now not be required.

Lloyds gave further instructions which Mr and Mrs G said they followed. An offer of £19,000 was made, which Mr and Mrs G say is nowhere near what is required to carry out the correct work at the property. So they complained to Lloyds, concerned about the affect the untreated subsidence was having on their property value and their family.

Lloyds said in its response to the complaint, that it didn’t agree with Mr and Mrs G’s concerns. Because Mr and Mrs G remained unhappy, they referred their complaint to this service.

Our Investigator considered the complaint, but didn’t think it should be upheld. He said Lloyds hadn’t acted unfairly by requiring further investigations. Mr and Mrs G didn’t accept our Investigator’s opinion, so the complaint has now come 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 this complaint. I’ll explain why.

Mr and Mrs G will be aware that I can only consider events which took place up to 25 September 2023, when a final response was issued by Lloyds. Lloyds has not consented to this service considering anything beyond that date until it has had an opportunity to respond to any further complaints about events which occurred since its last final response was issued.

So, in this decision, I will focus only on events up to 25 September 2023. This means I can’t comment on the £19,000 offer Mr and Mrs G received from Lloyds, or the results of any

further investigations that Lloyds recommended should take place. What I can consider, and have considered, is whether Lloyds acted unfairly by requiring further investigations, given the circumstances.

I've looked at the correspondence and all the reports provided. On 13 and 14 June 2023 Mr and Mrs G were sent emails offering a cash settlement on receipt of quotes. I can appreciate Mr and Mrs G's frustration that quotes were provided and yet a cash settlement in line with those quotes has not been paid or offered.

On 15 August 2023 an email was sent to Mr G, explaining the need for further investigations. I don't consider the content of that email to be unreasonable. It states that *"Subsidence cracks arising in summer months due to shrinkable soils will close when ground moisture contents recover over subsequent winter periods, but the level monitoring data does not establish this pattern. Given the factual evidence and level monitoring, it is difficult to concur that the Cedar of Lebanon is the dominant cause of the damage affecting the conservatory"*.

Mr and Mrs G say that they have provided ample evidence showing continued movement, even during long periods of dry weather. They've said that Lloyds thought that during such periods of dry weather the conservatory would stabilise, but it hasn't.

However, I don't consider this to mean that the quotes provided by Mr and Mrs G should be paid without further investigation. If the original monitoring results were deemed incorrect and the tree that was thought to be causing the subsidence is no longer thought to be the main cause by the insurer, due to the reasons it's given in its correspondence, I consider it fair and reasonable for further investigations to take place to ascertain the cause of the movement. Particularly if, as Mr and Mrs G have said, the property hasn't stabilised.

Mr and Mrs G have told us that further testing has now been carried out – and that they are unsure if all the tests required by Lloyds are now complete. It's not unusual, as our Investigator has said, for monitoring to take place over the seasons to get a fuller picture of the cycle of movements. So whether the testing has now been carried out in full or not, Mr and Mrs G will need to make a further complaint to Lloyds if they have not done so already, about any events after 25 September 2023.

I'd like Mr and Mrs G to note that I've not made any finding as to the amount Lloyds will need to pay them to settle this claim. This is because the claim is ongoing and I'm restricted to considering only what's happened up to 25 September 2023.

Mr and Mrs G will need to wait for Lloyds to respond to any further complaint, or for eight weeks to pass, before this service can become involved. They can then refer a further complaint to this service, and the Investigator considering that complaint will be able to consider anything further that has happened since 25 September 2023, including the offer made by Lloyds after its final response had been issued, and any further offers made by Lloyds to settle the claim.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 25 August 2024.

Ifrah Malik
Ombudsman