

## **The complaint**

Ms M complains that Lloyds Bank General Insurance Limited (Lloyds) didn't start work promptly after her home was damaged by an escape of water.

Any reference to Lloyds includes agents acting on its behalf.

## **What happened**

Ms M had an insurance policy for her buildings and contents, underwritten by Lloyds. In December 2022, water from a burst pipe damaged Ms M's home. She notified Lloyds which advised her to claim under her home emergency policy for the burst pipe. Lloyds wasn't the insurer for the home emergency policy, and matters relating to the handling of the home emergency claim are the subject of a separate complaint.

In January 2023, Lloyds contacted Ms M to ask whether the burst pipe had been repaired. She said it had and Lloyds set up a claim for the damage to her buildings and contents. Over the next three weeks, Lloyds tried, unsuccessfully, to contact Ms M. Towards the end of January, Lloyds spoke with Ms M and started the arrangements for her home to be dried out.

Ms M was unable to take calls from Lloyds during the first half of February, so discussion about removing Ms M's property from her home to allow for drying was not completed until the beginning of March. Little progress was made with the claim during March and April.

In May, Lloyds' contractors confirmed removals were complete and drying started. The contractors confirmed drying was complete in early June, and Lloyds told Ms M that reinstatement work could start. Over the following weeks, Ms M chased progress with Lloyds and she raised a complaint about the service she'd received from the contractors when trying to plan work. A week later, Ms M told Lloyds that the contractor was unable to do the work at that time.

Ms M complained to Lloyds. She said she still had bare floors, she was living from upstairs rooms, and Lloyds hadn't offered any alternative accommodation. She asked whether a different contractor could be employed to do the work. Lloyds explained that it would lead to further delays, but it offered a cash settlement so Ms M could make the arrangements if she preferred. Ms M didn't want to arrange the work or start the process again, so she declined the cash settlement and continued to wait for Lloyds. In the meantime, Lloyds arranged for some furniture to be returned to Ms M to make her home a little more comfortable.

On 26 July 2023, Lloyds issued a final response to Ms M's complaint. It acknowledged the poor service provided by its contractors and accepted it had caused avoidable delays. Lloyds said it had been a time of heavy demand, but a date had been agreed for work to start in early September. To apologise for the inconvenience caused, Lloyds said it would pay Ms M £600 compensation.

Ms M remained unhappy with the overall service she'd received during her claim, so she brought her complaint to us.

One of our investigators looked into the complaint and she agreed that Lloyds hadn't provided the service Ms M could've expected. Our investigator also said that although Ms M's home might've been uncomfortable, Lloyds had reasonably considered it habitable because it had running water and cooking facilities. However, she thought Lloyds had done enough to put matters right by offering the compensation.

Ms M didn't agree. She said the whole experience had caused her distress and inconvenience, and she didn't think the compensation was enough. So the complaint was 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 Ms M's complaint for broadly the same reasons as our investigator. I'll explain.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. There's no dispute that there were avoidable delays in handling Ms M's claim, which caused her inconvenience. Lloyds accepted its part in the delays and offered £600 compensation, which I note Ms M accepted. The difficulty here is that Ms M was unhappy with the service she received from the home emergency insurer as well as Lloyds, and she mentions further inconvenience she experienced after Lloyds' final response letter.

I can understand why she would think £600 compensation is insufficient for the overall distress and inconvenience she experienced. But, to be clear, in considering whether the compensation Lloyds offered is fair and reasonable, I am only looking at matters relating to the buildings and contents insurance up to the date of its final response – 26 July 2023. So the compensation is not intended to address any other parts of Ms M's complaint which relate to the home emergency claim, or any part of Lloyds' handling of the buildings and contents claim after 26 July 2023.

### *Delays*

Looking at the timeline of events, I can see that some of the earlier delays were due to Ms M being unavailable to take Lloyds' calls. She explained she couldn't easily answer calls during her working days so that's understandable. However, I can't reasonably say Lloyds was responsible for the delays in January and February during which time it tried on numerous occasions to get in touch with Ms M by phone and email.

That said, once the work was agreed, there was an avoidable delay in starting the drying out process. During that time, Ms M didn't have the furnishings that would make her home comfortable to live in. Once drying was complete, Lloyds didn't have contractors available to start reinstatement work. I accept that it was a busy time, but it was Lloyds' responsibility to ensure that it had sufficient contractors available to meet reasonable timescales. The onus is on Lloyds to handle claims promptly and fairly, and on this occasion I'm satisfied that the evidence shows Lloyds let Ms M down.

### *Compensation*

Lloyds can't change the fact that Ms M experienced avoidable delays, so there's nothing it can put right now. Therefore, I find that compensation is warranted. I've thought carefully about the natural and unavoidable delays that will always occur during this type of claim – such as drying out – and the delays for which Lloyds can't reasonably be held responsible.

Having done so, I'm satisfied that £600 compensation is fair and reasonable in the circumstances, and it's in line with what I would've awarded had Lloyds not already made the offer.

Overall, I find that Lloyds didn't handle Ms M's claim promptly, but I'm satisfied that it compensated her fairly for its delays. I see no reason to ask Lloyds to pay any more.

### **My final decision**

For the reasons I've given, my final decision is that I don't uphold Ms M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 19 September 2024.

Debra Vaughan  
**Ombudsman**