

The complaint

Mr S complains that Lloyds Bank General Insurance Limited (“Lloyds”) unfairly declined a claim for storm damage to his property.

What happened

In November 2023, Mr S reported water ingress into his property, when rainwater started to enter his home through the bathroom ceiling. Lloyds investigated the claim, but found that there hadn’t been storm-like conditions on or around the date of the incident. So it declined Mr S’s claim.

When Mr S complained, Lloyds said although it maintained its decision to decline the claim, the claim should’ve been looked at sooner and Mr S shouldn’t have had to accommodate an additional visit by its approved contractors, which it accepted would’ve inconvenienced him.

For the poor service he’d received, Lloyds offered him £200 compensation. Mr S didn’t accept Lloyds’ offer and referred his complaint to this service. Our Investigator considered it, and got in touch with Lloyds for more information. When it responded, Lloyds reassessed the complaint and said it hadn’t dealt with it fairly. It said whilst it still didn’t think it should accept the claim, it shouldn’t have failed to consider the internal damage caused by the ingress of rainwater, which was covered under the terms of Mr S’s policy.

In light of this error, Lloyds offered a further £100 compensation for distress and inconvenience, bringing the total amount of compensation for this complaint to £300. Our Investigator thought this was a fair offer, but Mr S didn’t agree and wanted an Ombudsman’s decision on the matter. 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 because I think Lloyds’ offer is fair. I’ll explain why.

When our service looks at a complaint about a storm claim, there are three predominant questions for us to consider:

1. Did storm conditions occur on or around the date the damage is said to have happened?
2. Was the damage claimed for consistent with damage a storm typically causes?
3. Were the storm conditions the main or dominant cause of the damage?

We’re likely to uphold a complaint if the answers to all three questions is ‘yes’ and we’re unlikely to uphold a complaint if the answer to any of the questions is ‘no’. I’ll deal with each of the questions in turn.

Do I agree that storm conditions occurred?

Using the resources this service has access to, I've checked the weather conditions around the time the damage occurred in the vicinity of the insured property. And I'm persuaded that there was a storm around the date of the incident. Mr S's policy defines storm conditions as winds of over 55mph. There were wind speeds of 57mph recorded nearby and rainfall of around 25mm, which satisfies me that there were storm conditions present.

Do I agree that the damage claimed for is consistent with damage that a storm typically causes?

The damage claimed for is the type of damage a storm would usually cause. High winds of the force that were present at the time and the heavy rainfall could cause rainwater to enter a property and cause damage to the ceiling. However, Lloyds has said that whilst the weather highlighted the poor condition of the roof, the damage in this case was not due to a one-off insured storm event but caused due to ongoing wear and tear. So I've considered this further in the next question.

Do I agree that the storm conditions were the main cause of the damage?

Lloyds didn't think the storm was the main cause of the damage. Its surveyor's report cites age related wear and tear to the roof, and this is accompanied by photos showing heavy moss and deterioration to the lead flashing and chimney. There's also a gap where the lead flashing should be, which is evidently where the water was entering the property from.

I appreciate this would have come as a disappointment to Mr S. He wouldn't have necessarily been aware of the condition of the roof until the extreme weather highlighted it. But building insurance policies don't cover every eventuality and I can see that Mr S's policy says "We won't pay for any damage if your home is not in good condition. We will, however pay claims for internal damage if you were unaware that your home was not in a good condition and the damage was caused by torrential rain of 25mm or more in a day".

I'm satisfied therefore, that the policy makes clear that wear or tear or gradually occurring damage isn't covered. So the issue in question is whether the damage that occurred was caused mainly by the storm, or whether the storm highlighted an existing issue with the roof and chimney. I've reviewed the photographs that the surveyor provided to support their conclusions. I think the commentary given is consistent with what I can see in the photos. So I do think it's more likely that the damage was a result of gradual deterioration of the lead flashing over time – the purpose of which is to seal gaps – and the moss growth which is likely to have caused further damage to the roof tiles, rather than by the storm. That doesn't mean I think the storm couldn't have caused the rainwater ingress. Rather, that the roof showed signs of wear and tear, which would make it more likely that it wouldn't be able to withstand storm conditions.

So taking everything into account, I'm satisfied that Lloyds hasn't declined the claim unfairly. And I won't be requiring it to do anything differently in that respect. However, I agree that the service provided to Mr S should've been better. Lloyds should've identified that Mr S had a valid claim for internal damage due to the policy terms which make clear that claims for internal damage will be covered if the policyholder is unaware of the condition of their home and there was at least 25mm of rainwater in a 24 hour period. And it should've been more proactive and helpful in this regard – but instead it declined the claim in full after its surveyor had to inconvenience Mr S twice at his home.

As a result of the poor service, I'm persuaded that Mr S has been caused distress and inconvenience for which he should be compensated. Given the time it took to come to a fair decision on the claim and on the internal damage element, as well as the inconvenience caused, I consider the £300 total compensation that has already been offered by Lloyds to

be fair and reasonable compensation in the circumstances. As this amount has already been offered to Mr S, and that offer remains open, as well as the fact that Lloyds have rightly agreed to deal with the internal damage, I won't be asking it to do anything differently.

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 S to accept or reject my decision before 27 October 2024.

Ifrah Malik
Ombudsman