

## **The complaint**

Mrs F and Mr F complain about how Lloyds Bank General Insurance Limited (Lloyds) dealt with a claim under their home insurance policy for damage to their property.

Lloyds use agents to administer the policy and to assess claims. References to Lloyds include these agents.

This decision covers Mrs F and Mr F's complaint to this Service about Lloyds, as the home insurance policy insurer, in February 2024. It doesn't cover the insurer of the home emergency section of the policy (A) which is a separate business to Lloyds. References in this decision to A are included as context for what happened in this case.

## **What happened**

In September 2023 Mrs F and Mr F noticed an odour and a discoloured patch on the living room ceiling at their property. They went upstairs to an ensuite bathroom and, removing tiles from boxed piping, saw sewage leaking from the waste pipe from a toilet. They contacted the Home Emergency provider (A) as they had home emergency cover under their home insurance policy. A attended and advised they needed to carry out trace and access work to locate the leak, which would involve removing a tiled wall in the ensuite to gain access to the waste pipe.

Lloyds also appointed their own contractor (P) who could carry out trace and access and repair the pipe – but this would be a private, chargeable job as it wouldn't be covered under the policy (though Lloyds would cover the trace and access work required). Alternatively, Mrs F and Mr F could ask A to carry out a temporary repair under the home emergency section of the policy. But Mrs F and Mr F would then need to arrange for a permanent repair and/or replacement of the pipe (from their inspection, P said there was an issue with how the pipework had been installed).

In the event, Mrs F and Mr F arranged for A to carry out a repair. When told, Lloyds advised them to engage a local plumber to check the work carried out (as Mrs F and Mr F had concerns about it) or ask A to re-attend. Lloyds told Mrs F and Mr F it was their responsibility to ensure the pipe had been properly repaired, as they thought only a temporary repair had been carried out (from what they'd seen of the repair from photographs provided by Mrs F and Mr F, the pipe appeared to have been propped up with a piece of wood).. And they would only proceed with reinstatement work for the damage from the leak when they were satisfied a permanent repair had been carried out. They referred to the policy terms and conditions about water leaks.

Mrs F and Mr F were unhappy at Lloyds' position, saying the repair had been carried out by the approved Home Emergency provider under the policy (A). And the piece of wood was screwed in, not just propping up the pipe. So, if Lloyds weren't happy with the repair, they should send their own contractor (plumber) to assess the repair. They were also unhappy they had contacted the Personal Claims Consultant (PCC) assigned to handle their claim for damage from the leak several times but not had a response. So, Lloyds treated their concerns as a complaint.

Lloyds upheld the complaint in part. In their final response, they referred to the sequence of events and their concerns at the repair carried out. Lloyds had contacted A, who said the repair was permanent. Lloyds acknowledged they could have confirmed this earlier, so they'd caused delay. Lloyds also accepted Mrs F and Mr F had difficulty contacting the PCC and their final response had taken longer than it should. In recognition of this, Lloyds awarded £275 compensation (a further £300 and £30 compensation was issued subsequent to the final response and Mrs F and Mr F complaining to this Service).

Lloyds said they could instruct their contractors to carry out reinstatement work for the damage from the leak. However, given their concerns about the repair carried out by the Home Emergency provider, were there to be any further issues with the repaired pipe, the home insurance policy wouldn't cover any damage.

Mrs F and Mr F then complained to this Service. They were unhappy at Lloyds' position, saying A thought the repair to the pipe was permanent, so it shouldn't be up to them to engage a plumber to inspect and report on the repair (that it was permanent) as A were the appointed provide under the home emergency section of their policy. They had been left with a hole in the wall (from the trace and access work) and the situation was causing them and their family stress. As well as affecting their health and Mr F's ability to work.

Our investigator didn't uphold the complaint, concluding Lloyds didn't need to take any further action. When the home emergency repairs were completed, Lloyds said the repairs needed to be fixed permanently by a plumber before Lloyds would repair the damage under the home insurance policy. Looking at the policy terms and conditions, they said leaking pipes must be properly repaired by the policyholder or their plumber. Lloyds weren't responsible for the emergency repairs carried out by A, as they were a separate business providing the home emergency cover.

On the hole in the wall, Lloyds offered to repair the damage, but if Mrs F and Mr F didn't permanently repair the waste pipe it was unlikely Lloyds would cover any damage caused by a leak in the pipe. On the tiles to the bathroom, as the repair to the soil pipe wasn't covered, other linked repairs similarly wouldn't be covered (even if the repair was more economical). And if the repair led to mismatched tiles, that wouldn't be covered as the damage wouldn't be the result of an insured peril under the policy.

Mrs F and Mr F disagreed with the investigator's view and requested that an ombudsman review the complaint. The home emergency provider said the repair to the pipe was permanent, but Lloyds said it wasn't. Lloyds were asking the wooden structure supporting the pipe removed and a metal bracket reinstalled – which Mrs F and Mr F thought would fail again. And the home emergency provider wouldn't remove the wooden structure as they considered it a permanent repair. And they hadn't asked Lloyds to repair the pipe, as they recognised they wouldn't cover any such repair. So, they were being penalised because of the disagreement. Their property had been left in a state of disrepair for over a year and it had effected Mr F's health, also causing significant financial implications.

### **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.

My role here is to decide whether Lloyds have acted fairly towards Mrs F and Mr F.

There main issue in Mrs F and Mr F's complaint is position about the repair to the ensuite waste pipe, carried out by the Home Emergency provider (A). Mrs F and Mr F say the repair is considered permanent by A and so they shouldn't have to engage a lumber to confirm – or

otherwise – this is the case. Lloyds say they don't consider the repair to be permanent and therefore, under the policy, it's Mrs F and Mr F to have a plumber either make a permanent repair, or confirm the current repair is permanent. They would carry out reinstatement work to repair the damage caused by the leak (and box in the waste pipe) but they wouldn't cover any future damage should the waste pipe leak again.

Mrs F and Mr F are also unhappy at the way the claim was handled, including a lack of response from Lloyds (the PCC) to their contact. Lloyds accept shortcomings in this respect, initially awarding £275 compensation (with two further compensation awards of £300 and £30 after Mrs F and Mr F complained to this Service).

Given Lloyds' reference to the policy terms and conditions, I've looked at the section they refer to, the buildings section, which under a heading 8. *Leaking water & leaking oil* states:

*"The leak must be from a home appliance or fixed water or heating system. Examples of a home appliance or fixed water or heating system are tanks, pipes, washing machines, or water mains. Damage to the home appliance, water or heating system itself is only covered if it's caused by freezing."*

#### **Tracing and accessing a leak**

*"When a leak happens it is sometimes hard to find exactly where it's coming from, so please take all reasonable steps to stop the water and prevent the damage getting worse. You or your plumber must take all reasonable steps to find where the leak is coming from,"*

Lloyds say they consider the repair carried out by A is only temporary – not permanent – so Mrs F and Mr F need to have their own plumber either confirm the repair is (as A maintain) permanent or carry out a permanent repair.

Lloyds also point to a report from P about the leak and its cause. The report is based on an inspection in September 2023 and states:

*"A leak has been identified on the soil pipe to the main down stack, the leak was identified after a section of tiles were removed from the boxing and the endoscope was used to access the soil pipe. When the toilet is flushed water drips from a connection, the water is leaking onto the floor and potentially tracking down the cavity to the lower floor."*

*"...I exposed the full soil pipe in the boxing and I have found the pipe runs upstream but should be downstream so the water is falling back..."*

The report recommends the following:

*"The leak on the soil pipe will need repaired but also the pipes will need to be reconfigured so that the pipe runs downstream whereas the pipe presently runs upstream. The tiled wall in the ensuite will need to be repaired and as the tiles run throughout the ensuite this means the ensuite will need to be refitted."*

Lloyds also refer to a subsequent visit by their contractor (E) who inspected the pipework after the repair by A/ Alongside photographs of the [exposed] pipework and repair, E provided the following opinion:

*"I explained in detail to Mr F that what has been fitted is indeed holding up the soil pipework as a 'temp' style repair however it's not a fixed repair as such and the soil*

*pipe should be held in position with a proper bracket/brackets, Mr F said he understood. I showed Mr F that I could move the wood with my fingers as they were not that secure.*

*I explained to Mr F that the shower waste pipe 'white pipe under the grey pipe' was also running back on itself, I asked if he ever had issues with the shower tray backing up with water, he said yes this has happened in the past. Again explained it's the layout and the pipework running back on itself. This defect is not claim related."*

Looking at the photographs taken by E, I'm persuaded by what they say about the repair, as the wood is clearly visible underneath the waste (soil) pipe. I've no reason to doubt what E says about it not being secure and a temporary repair – not a permanent one.

I accept that A believe the repair is permanent, so there's a disagreement between them and Lloyds (based on E's findings and conclusions). I also recognise what Mrs F and Mr F have said about their being 'caught in the middle' and penalised through no fault of their own. But my role here is to decide whether Lloyds have acted fairly towards Mrs F and Mr F, not whether A have acted fairly towards them (it would be for Mrs F and Mr F to make a separate complaint about A).

Taking all these points together, I've concluded Lloyds have acted fairly is saying Mrs F and Mr F should arrange for a plumber to make a permanent repair, along the lines set out by E before they can initiate reinstatement work to repair the damage (including that caused by trace and access to locate the leak).

In their final response, Lloyds say they would be prepared to box in the pipework and reinstate the damage from the leak, but as they consider the repair to be temporary (and the issues with the pipework layout) then it's not unreasonable for them to say there's a risk the temporary repair will fail in the future – E says as much in their report to Lloyds. And given that risk, should it fail they wouldn't cover any consequent damage under the policy. I don't think that's unreasonable.

Turning to the second aspect of the complaint, the time taken to assess the claim and the communication with Mrs F and Mr F, Lloyds accept they could have confirmed A's view the repair was permanent earlier, so they caused delay. Lloyds also accept Mrs F and Mr F had difficulty contacting the PCC and their final response had taken longer than it should. In recognition of this, Lloyds awarded £275 compensation (and a further £300 and £30 was issued subsequent to the final response and Mrs F and Mr F complaining to this Service).

Looking at the sequence of events, I agree the communication from Lloyds and delays meant the service provided to Mrs F and Mr F fell short of the standards they could reasonably have expected, particularly as they'd made Lloyds aware of their circumstances and the vulnerability of a family member.

I've considered the circumstances of the case in the context of the published guidance from this Service on awards for distress and inconvenience, including the circumstances described by Mrs F and Mr F about their family vulnerability and financial circumstances. Taking this into account, I think Lloyds award of compensation (an initial £275 and then further awards of £300 and £30, making a total of £605) is fair and reasonable. So, I won't be asking them to make a further award.

### **My final decision**

For the reasons set out above, it's my final decision not to uphold Mrs F and Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X and Mr F to accept or reject my decision before 2 December 2024.

Paul King  
**Ombudsman**