

The complaint

Mr K complains Lloyds Bank General Insurance Limited's settlement of his subsidence claim is inadequate.

Lloyds has used agents for the claim. For simplicity, in places I've referred to the agents' actions as being Lloyds' own.

What happened

Mr K made a subsidence claim against his Lloyds home insurance policy. Lloyds accepted the claim. Since then Mr K's had various concerns about Lloyds' handling of the claim. Some have been considered by this Service under a different complaint. I won't detail those here. Instead I will refer only to the complaint points to be considered as part of this complaint.

After subsidence mitigation actions – removal of vegetation - Lloyds considered Mr K's property to be stable. So it proposed moving to the repair stage of the claim. It produced a costed scope of works for repairs. It offered Mr K the option of a cash settlement or for one of its contractors to complete repairs. He wasn't satisfied with the scope. He considers it doesn't cover repairs to various areas of damage to his property.

Lloyds issued complaint responses addressing Mr K's concerns. Its responses included the following. Lloyds offered a settlement for boiler repairs. It said it would only repair areas of roof damage related to the current subsidence claim – not age-related damage. Lloyds didn't accept damage to a driveway or underground drains to be subsidence related. So it didn't agree to cover either. It added the drain damage could be considered against a separate, non-subsidence, claim. Lloyds said it would repair any patio affected by subsidence. It didn't accept distortions to internal flooring to be caused by subsidence. But said it would consider Mr K's concerns during a site visit.

Unsatisfied with Lloyds' position Mr K referred his complaint to the Financial Ombudsman Service. To resolve his complaint he wants Lloyds to replace the full roof, restore the flooring and address drainage defects as part of his subsidence claim.

Our Investigator felt Lloyds' reasons for not fully replacing the roof, repairing the driveway or drain to be fair and reasonable. So she didn't recommend it accept liability for any additional repairs. As Mr K didn't accept that as a resolution 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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr K and Lloyds have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Mr K's complaint is essentially that Lloyds, whilst accepting some damage to his property as subsidence claim related, is unfairly refusing to agree to cover other areas of damage. So I've considered each of those areas in turn. When doing so I've considered the available evidence.

I haven't considered here items - including damage to the patio, boiler and internal doors – Mr K had raised but Lloyds has agreed to cover or explained is already included in the scope of works.

Mr K's policy covers his buildings against damage caused by subsidence, heave and landslip. The policy defines subsidence as the downward movement of the ground underneath his buildings which isn't caused by the weight of the buildings. It defines heave as the ground underneath his building expanding. It defines land slip as the fast sudden movement of ground down a slope. I've considered the additional damage Mr K would like covered against that policy benefit. Essentially, I've considered if the evidence supports the damage likely being caused by subsidence as defined by the terms.

Mr K said he doesn't wish for any repairs to begin until his drains are repaired. He feels it would be futile as damage would continue to occur. Its accepted there is damage to the drains – with numerous defects.

But Lloyds doesn't accept them to be either the cause of subsidence or to be caused by subsidence. So it's refused to cover their repair as part of this subsidence claim. Its suggested he make a separate claim under the accidental damage part of his policy. As far as I'm aware Mr K hasn't done that.

I've considered the relevant evidence. Having done so I can't say Lloyds' position on this issue is unfair or unreasonable. I haven't seen anything, beyond Mr K's comments, to support the drain defects being the cause of subsidence. Lloyds' subsidence experts considered vegetation to the cause. Mr K's own engineer was of the same opinion.

Lloyds considers the cause of the drain defects to be most likely loadings from the garage and recent extension construction. Mr K hasn't provided any persuasive evidence, from an expert for example, to support subsidence being the cause of drain defects. Overall I'm not persuaded the drainage defects are most likely the cause of, or caused by, subsidence.

Lloyds has agreed to cover limited repairs to Mr K's roof – including rendering a parapet wall and tying it back to the main structure. However, it considers other damage to the roof to be non-subsidence related. Instead it feels it to be general wear and tear.

Again Mr K hasn't provided any expert evidence to support this damage to be subsidence related. I've considered his comments, including about subsidence causing tile movement. But having considered Lloyds' description of the damage and seen various photos, I can't say its opinion of the damage being wear and tear or age related is unfair or unreasonable. And I'm satisfied it can make an effective repair to the subsidence related part of the roof without repairing the additional damage.

Lloyds doesn't accept cracking to a driveway to be caused by subsidence. Instead it considers it typical of settlement common to driveways. It has highlighted that the subsidence is accepted to have caused damage to the rear of the property – whilst the driveway is at the front. It's also pointed to historic internet-based photos that demonstrate the cracking to present as far back as 2012 – before Mr K's cover began.

Again Mr K hasn't provided any expert evidence to support the subsidence being the cause of any damage to the driveway. His engineer's report doesn't refer to it. The damage, considering the photos, does seem to have existed before his Lloyds' policy began. Having considered the matter I can't say Lloyds' refusal to cover the driveway damage is unfair or unreasonable.

Mr K's requested Lloyds provide a comprehensive restoration of the flooring in the property. He says flooring has become uneven since Lloyds has been the property's insurer. Lloyds has declined covering lifting timber flooring in the lounge. It considers that damage to be caused by expansion rather than subsidence - or any other insured peril. Lloyds' subsidence expert accepts the property has distorted flooring throughout – but considers this has happened over a very long period as result of age and design. It doesn't accept it to be the result of subsidence.

Unfortunately Mr K hasn't provided any expert evidence to support his position that distortion to flooring is subsidence related. His engineer's report doesn't refer to floor distortions or unevenness. So again, based on the available evidence, I can't say Lloyds' position on the flooring is unfair or unreasonable.

Mr K has raised concern to this Service that Lloyds' scope of works doesn't include repairs to his garage. It's only fair that Lloyds has an opportunity to respond to his concern before this Service gets involved. I haven't seen it has had that chance. So if this issue remains a concern for Mr K he should raise it with Lloyds first.

I realise this decision will be disappointing for Mr K but ultimately, he hasn't provided persuasive evidence, from an expert or otherwise, to support his position and to counter that provided by Lloyds. Overall I haven't been persuaded that Lloyds should be covering any additional damage under this subsidence claim.

Lloyds has said it will consider any further expert evidence Mr K does provide. That's a fair and reasonable approach. But based on what he's provided so far, I'm not persuaded by his argument that Lloyds' scope of works should include additional repairs to the roof, flooring, driveway or drains. So I'm not going to require it to do anything differently.

My final decision

For the reasons given above, I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 31 December 2024.

Daniel Martin
Ombudsman