

The complaint

Miss R complains that Lloyds Bank General Insurance Limited provided poor service when dealing with her claim for an escape of water.

What happened

Miss R held a buildings and contents insurance policy with Lloyds, and in May 2021 she made a claim for an escape of water following a boiler leak.

The entire ground floor of the property was affected and Miss R had to move to alternative accommodation.

The property was stripped out and dried but there were delays in starting the work, and by the time Miss R moved back to the property, work was still not completed. She was pregnant at the time.

After completion of the work, Miss R complained about the quality of the work, service and delays.

In their final response on 27 March 2023 Lloyds accepted that there had been issues with service and delays. They said that that had completed a trace and access survey which confirmed there were no current leaks, and they were awaiting a drying survey to establish if there is further drying or a pre-existing damp issue. They awarded Miss R £300 compensation for delays and service issues.

Miss R wasn't happy with this and brought her complaint to us.

One of our investigators looked into Miss R's complaint. She thought that Lloyds should pay £300 for the distress and inconvenience caused as well as the outstanding utility bills.

Miss R disagreed with our investigators view, and so the case came to me to review.

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.

I'm upholding this complaint and awarding the £300 already offered as well as the utility bills, and I'll explain why.

Alternative accommodation

Miss R says that when strip out began, she asked Lloyds to consider AA, and after several phone calls it was agreed and she was moved to hotel accommodation.

After three weeks this was agreed to be inappropriate as there were no cooking facilities and no breakfast, and so it was agreed that she could take a short term rental, which she arranged.

Miss R was told she could claim utility costs for one of the properties, and she submitted these in September 2022 but it hadn't been processed by the date of her complaint to us in August 2023.

When the agreement for AA was coming to an end, Miss R says that notice was served without advising her and she had to pack her belongings at short notice while 7 months pregnant and move. This caused a lot of stress and resulted in her being hospitalised for 4 days.

I can see that AA was arranged when it became apparent it was appropriate and that disturbance allowance was paid for the additional expenses whilst Miss R was in hotel accommodation. A short term let was agreed as soon as it became apparent that a longer term arrangement was needed.

I can understand that Miss R will have found it upsetting and inconvenient being in a hotel for a short period, but it's not always obvious at the outset whether AA is appropriate and how long for. I'm satisfied that when Lloyds became aware that this was likely to be a longer term placement, they agreed appropriate accommodation.

In terms of leaving the accommodation, the original agreement end date was 12 April and an extension was asked for until 12 May, but the landlord could only agree to 11 May. Miss R would have known the let was coming to an end, but I appreciate that given her condition, she should have been given extra time to get organised, and it will have been difficult packing and moving. I have taken this into account in the award I have given below for distress and inconvenience.

Delays and quality of work

Miss R says that progress of the repairs was slow and when she moved back into the property in May after the period in AA it wasn't completed and so there were still workmen in the house. Miss R was 7 months pregnant at the time and found this distressing, she just wanted the work finished.

She was anxious that the repairs needed to be completed quickly as she wanted to sell the house and move to be with her partner. She says an offer was made on the house but this was less than it would have been because the price dropped as a result of the delay in getting the repairs done as she missed the housing boom.

Lloyds have accepted that there was some delay in work commencing. However, Miss R was in AA I can't see that she was inconvenienced by this delay other than for the period that work was still ongoing when she moved back. I accept that the leak and subsequent repairs may have delayed her selling the house, but Lloyds aren't responsible for the leak, and there will always have been some period required for the rectification of this leak. I can't fairly say that the delay in starting repairs contributed significantly to the overall delay in the house sale and any financial loss, and there is no guarantee that a sale would have been achieved any earlier even if it had been on the market.

Following completion of the work, Miss R complained about the quality of the work, including paint drips on the walls, water damaged skirting, under unit lights not fitted, chipped flooring and skirting jutting out. She says the contractor has attended five times to sort this out.

Miss R also complains that a month after the repairs were completed, the toilet flooded as a result of poor installation which resulted in further water damage and the skirting was not replaced.

Lloyds have confirmed that there were snagging visits to resolve issues at the end of the works, which is not unusual, and I can see that they sent trades back to rectify the works, which I consider is a fair outcome.

On 11 October 2022 Miss B reported a leak from the downstairs toilet which she says was a result of poor workmanship.

I can see from the scope of works and the photographs that the toilet was removed during the strip out works as well as the flooring and skirting. Lloyds contractor attended on 12 October 2022 and reported that the toilet wasn't leaking but there was condensation in this room. I've reviewed the images provided by Miss R of the damage and I can see that the silicone around the toilet appears to be partially completed and the skirting doesn't quite meet the toilet. The water damage to the skirting was only one small patch but does suggest that there is a leak somewhere. As the toilet was re-fitted by the contractors as part of the insurance related works, I'm persuaded it's likely the cause of the leak was likely to the fitting.

I don't think the small area of damage means it was necessary to replace all the skirting, and as Miss R no longer owns the house, offering rectification isn't appropriate, so I have factored this into thinking about the award for distress and inconvenience.

Residual damp issues

A drying certificate was issued in November 2021 confirming that the property was dried to pre loss condition. However, it was noted that there was a pre-existing damp issue in the pantry area.

However, when Miss R came to sell the house, the surveyor reported damp readings in the walls, and so Miss R queried whether Lloyds contractors had properly completed the drying out process. She says that she had to reduce the price of the property to recognise the estimated cost of rectifying damp issues which she says were the result of inadequate drying.

Lloyds sent trace and access specialists to investigate, who reported that there were no leaks in the property, but they obtained elevated moisture readings in the walls of the hall, lounge and understairs room at low level. They took salts tests which revealed nitrates, indicating a dirty water source, which would be rising damp rather than a leak. They queried whether the reinstatement had included a damp proof membrane, as the Marley floor tiles had been removed which may have impacted damp rising from under the floors.

Lloyds queried this with their contractors, who provided evidence that since they removed the Marley tiles they used a damp proof membrane when they laid the self levelling floor compound so as to ensure that any rising damp from the floor would be prevented. This is standard practice in this situation. They also noted that the trace and access report said that there was no damp proof course evident on the exterior of the house and none in the area of the pre-existing damp where the toilet has been moved – and so they were confident that any damp issues were not work related.

Considering all the above, I'm satisfied that any damp issues are not as a result of inadequate works completed by Lloyds contractors and are more likely as a result of there being no damp proof course in the exterior walls, which is a longstanding issue. I appreciate

that Miss R had to reduce the purchase price of her house to compensate her purchasers for damp proof work that needed completing, but I can't fairly say in the light of the above that this issue arose from Lloyds contractors work, and so I'm not able to offer any compensation for this.

Utility costs

While Miss R was in AA she was asked to put the heating on in her home to aid the drying process. In addition, contractors were using electricity (in addition to the drying equipment) whilst repairs were ongoing.

It's not reasonable for Miss R to pay for electricity and gas on both properties, and as she was benefiting from the gas and electricity in the AA I wouldn't expect those costs to be reimbursed. However, gas and electricity used at her home would have been related to the claim whilst drying and reimbursement was ongoing, and therefore it's fair and reasonable for Lloyds to provide reimbursement of the gas and electricity bills at her home whilst it was unoccupied.

The bills submitted shows charges of £346.37 between 17 November 2021 and 5 May 2022 for gas and electricity. Lloyds admitted in July 2024 that bills submitted on 12 September 2022 hadn't been validated or paid but they did say an payment of £78.84 for electricity reimbursement as a result of the drying had been issued on 9 March 2023. so I am asking them to reimburse £346.37 minus the £78.84 already paid (£267.53), plus interest from 12 September 2022 to the date of settlement.

Overall, taking into account the delays, the inconvenience of the house not being completed when Miss R moved in, and the short notice move, I think that the £300 compensation offered by Lloyds and endorsed by our investigator is fair for the reasons above.

Putting things right

The property has now been sold and so I can't recommend rectification work, and a cash settlement to complete works would also not be appropriate, so I have awarded the following:

I think Lloyds should:

- Pay Miss R the excess electricity costs for her property
- Pay Miss R 8% simple interest on the above sum from 12 September 2022 until the date of settlement
- Pay Miss R £300 for the distress and inconvenience caused as offered

My final decision

My final decision is that I'm upholding Miss R's complaint about Lloyds Bank General insurance Limited and asking them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 20 January 2025.

Joanne Ward
Ombudsman