

The complaint

Mrs M complains about the way Lloyds Bank General Insurance Limited has handled a claim she made under her home insurance policy.

Reference to Mrs M or Lloyds includes their respective representatives and agents.

What happened

The circumstances aren't in dispute, so I'll summarise the background:

- Mrs M got in touch with Lloyds after discovering cracking to her property. Lloyds accepted the damage was covered by the policy. However, there were delays reaching this stage, which led to complaints.
- The matter was referred to this Service and considered up to the August 2023 complaint response. An Ombudsman decided Lloyds should pay compensation and associated costs, and the claim continued.
- Lloyds appointed a loss adjuster, who inspected the damage and arranged for investigations to be carried out. Based on the monitoring results, it said the building damage could be repaired and there was no need to investigate the drainage further.
- Mrs M thought monitoring should continue and underpinning should be carried out. She also expressed concern that the drainage investigations may have caused damage and/or other problems.
- The loss adjuster agreed to continue monitoring and offered to send a contractor out to look into the drainage concerns. It didn't think underpinning was necessary but agreed to consider it again once further monitoring information was available.
- Further complaints arose and the matter was referred to this Service again. Our investigator considered how the claim had been handled between August 2023 and the 21 May 2024 complaint response. In summary, she said:
 - There was no evidence to show the building needed to be underpinned and it was fair for Lloyds to continue monitoring in line with Mrs M's request.
 - It was fair for the drainage contractor to re-attend to look into Mrs M's concerns about the drainage system.
 - Lloyds paid £450 compensation for delays and poor service during the relevant time and this was a fair amount. This Service doesn't have the power to award compensation to a complainant's representative.
- Mrs M didn't think this was a fair outcome. An agreement couldn't be reached, so the complaint has been referred to me.

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.

- The scope of this complaint is limited to events between Lloyds' complaint responses from August 2023 and 21 May 2024. I won't be considering anything that has happened outside of that timescale. The claim has continued since then and Mrs M is entitled to raise a new complaint about the way it's been handled if she wishes.
- It's accepted the damage is covered by the policy, so there's no dispute about that. The complaint is primarily about the next steps for the claim and how it's been handled during the relevant time, so that's what I'll focus on.

Claim next steps

- The position reached by the May 2024 complaint response was that monitoring would continue. And once more information was available, the loss adjuster would review it again to decide what repairs were required, including underpinning. In principle, I'm satisfied that was a reasonable position at that time.
- The policy covers repair of the damage and I'd expect such a repair to be lasting and effective. In some cases, that may mean underpinning is required. But that's not always the case – a lasting and effective repair is often possible without underpinning. Usually, it's only required where there's ongoing movement which can't be stabilised by other methods.
- The professional opinions I've seen found there was movement initially and it was caused when work was carried out by a neighbour. As a result, once the work was completed, there may not be ongoing movement. The purpose of the monitoring investigation is to give an objective record of the extent of any ongoing movement to the building – and help to decide whether underpinning is required.
- I agree with Mrs M that it's common for monitoring to be carried out for longer than the loss adjuster initially did. But they agreed to continue, so I don't think this point is in dispute or needs further consideration at this time. And they're aware there's further cracking and of the position of the monitoring pins relative to the damage. So I'd expect all of this to be taken into account when the further monitoring information has been gathered and the required repairs are considered. I'd also expect the loss adjuster to take into account the professional opinions Mrs M has shared with them.
- I understand the drainage survey found a problem which may potentially have been contributing to the building damage. As a result, the loss adjuster explored the problem further. Again, I'm satisfied that was a reasonable approach in principle. It meant the problem would likely be resolved – and, if it was a contributing factor, that would help to avoid further damage. But, due to Mrs M's concerns about it and the lack of movement seen in the monitoring, it wasn't taken forward.
- As a result, by the May 2024 complaint response, the drainage problem hadn't reached a conclusion. This is something I'd expect the loss adjuster to consider again when reviewing the further monitoring information.
- Overall, this means I'm satisfied the next steps Lloyds had set out for the claim by May 2024 were fair and reasonable.

Claim handling

- A claim of this nature will inevitably cause the policyholder a degree of distress and inconvenience. And particularly in Mrs M and her representative's circumstances. But this isn't something I can hold against Lloyds – it's an unfortunate consequence of the damage and the steps required to put it right. But where Lloyds adds to that, I would expect it to pay compensation for any distress and inconvenience unnecessarily caused – and take steps to improve its service.
- Lloyds has conceded the service offered during the relevant time was poor due to avoidable delays and communication problems. It's paid £450 to recognise the impact of that on Mrs M.
- The relevant period of time is around nine months. In that time, through the loss adjuster, Lloyds has taken steps to investigate the cause of damage, including monitoring and looking into the drainage problem. All of this inevitably takes time and I don't consider that unreasonable. But Lloyds accepts it could have progressed things more quickly – and could have communicated promptly.
- I'm satisfied that £450 is reasonable compensation in these circumstances. And, as our investigator has explained, we can't award compensation to a representative. So, I won't require Lloyds to pay any further compensation in relation to this complaint.
- Lloyds has a regulatory duty to handle the claim promptly and fairly and treat Mrs M fairly and reasonably. This is the second complaint this Service has seen about the claim, covering many separate complaint responses. Lloyds has repeatedly accepted its service has been poor. Whilst it's paid compensation, which has resolved the complaints, it doesn't seem to have taken any effective steps to improve its service and put an end to the service problems. Lloyds should do so, particularly as it knows Mrs M is vulnerable and its poor service has a greater on her.
- Mrs M is concerned the investigations carried out by the drainage contractor caused damage and/or other problems to the drainage system. As the contractor was ultimately appointed by Lloyds, Lloyds is responsible for the way it carried out the investigations, including any work or damage caused.
- In order for Mrs M's concerns to be considered further, Lloyds has offered to send the contractor back to her property. I'm satisfied that's a fair and reasonable way to approach the matter. It's open to Mrs M to take up Lloyds offer if she would like to. If she does, I'd expect Lloyds to ensure the contractor thoroughly considers the concerns Mrs M has raised and, if it has caused any damage or other problems, they're put right in a lasting and effective way.

My final decision

I uphold this complaint.

Lloyds has already paid £450 compensation to settle the complaint and I think that was fair in all the circumstances. So it doesn't need to pay anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 30 January 2025.

James Neville
Ombudsman