

The complaint

Mr K and Mrs K complain about the way Lloyds Bank General Insurance Limited (trading as Halifax) handled a claim they made on their home insurance policy.

Mr K has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, as those of “Mr K” throughout this decision.

What happened

Mr K made an escape of water claim on his home insurance policy in November 2022. Lloyds accepted the claim and attended his property to inspect the damage. Lloyds then had their contractors produce an estimate for the works needed – but Mr K disagreed with the total sum. He had his own contractor quote for the work which he said produced a total of more than three times the amount Lloyd’s were willing to pay for the claim. Lloyd’s ultimately offered Mr K two options; to settle the claim on a cash basis, or to have the works completed via Lloyd’s contractors under his policy’s terms.

Mr K thought this was unfair and raised a complaint, which ultimately was referred to this Service. An Investigator looked at what had happened and said they thought the claim had been dealt with fairly. She said the cash settlement offered would be in line with what Lloyd’s would pay their own contractor and he could still choose to have Lloyd’s carry out the work.

Mr K remained unhappy, so he raised another complaint. He said the schedule of works Lloyd’s had provided was unfair as he couldn’t understand it and therefore decide whether he wanted to proceed with the claim or not. He also said his own contractor’s quotes were more than the amount Lloyd’s had quoted for – so he didn’t think it was fair he would need to pay more to have his home fixed.

Lloyds responded to Mr K’s new complaint but didn’t uphold it. They maintained that Mr K had been provided with his options to conclude the works and he either needed to have Lloyd’s repair the damage or accept the cash settlement option. And they said they had provided fair communication about Mr K’s options during the life of the claim.

Mr K remained unhappy with Lloyd’s response – so he brought the complaint to this Service. An Investigator looked at what had happened but didn’t recommend the complaint be upheld. He thought the issues Mr K was complaining about were focused on the cash settlement offered. And as that had already been considered by this Service, we couldn’t make a further finding on those points. And he said in relation to Mr K’s communication concerns - Lloyd’s had dealt with the claim fairly and he hadn’t identified any periods in which Lloyd’s weren’t progressing the claim.

The Investigator said he was ultimately satisfied that Lloyd’s had acted fairly when dealing with Mr K’s claim; and they had done so in a way he would have expected them to do – by acting in line with policy terms, and industry practice.

Mr K disagreed with the Investigator's outcome. He said Lloyd's hadn't considered parts of his claim properly and had acted unfairly by not considering alternative accommodation as part of his claim. Mr K asked for an Ombudsman to consider the complaint, so it's been 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.

I'd like to start by reassuring both parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that has been provided. This isn't meant as a discourtesy – instead it reflects the informal nature of this Service. So, while I may not comment on each point made, or piece of evidence provided, I've taken it all into account.

I also need to explain what I'll be considering as part of my decision. I appreciate Mr K has raised concerns over the total amount Lloyd's has offered as part of his claim, and the items included in the claim itself. But I won't be revisiting this - because, as the Investigator has already explained, these issues were considered as part of another complaint this Service looked at. I also won't be considering whether Lloyd's should have offered alternative accommodation to Mr K as part of this claim. That's because this point was raised after Lloyd's final response letter was issued – so it would form part of a new complaint.

This means my decision will focus on how Lloyd's communicated with Mr K, how they provided information, and how they progressed the claim.

From looking at the claim history, Mr K initially contacted Lloyd's about his claim in November 2022 – but there was then a break in communication and Lloyd's closed the claim when they didn't hear back from Mr K. It appears Mr K was out of the country and returned in March 2023, and then got back in touch with Lloyd's in April 2023 to progress matters.

From there, Lloyd's requested information from Mr K in order for them to progress the claim, and by May 2023 an engineer visited Mr K's home and identified the source of the leak. Another site visit was arranged at the start of June 2023 to discuss next steps, and the drying out progress was organised to start following this visit. However, Mr K told Lloyd's he didn't want to use their contractors and wanted to use his own instead – and this continued while Lloyd's provided information on the process needed to dry out and repair the damage caused.

Towards the end of June 2023, Mr K had obtained a quote for the works he wanted to be completed, and this was sent to Lloyd's. But Lloyd's didn't agree with the cost of the quote and said agreeing this would result in betterment. Emails between Mr K and Lloyd's continued throughout June 2023 and by mid-July 2023, Lloyd's offered a cash settlement when Mr K continued to request using his own contractor's quote for the works. Mr K then raised a complaint.

From the timeline I've been provided of Mr K's claim, I find that there are no readily identifiable periods in which there are excessive delays, or unreasonable periods where no correspondence was being sent or received. Ultimately, Lloyd's requested relevant information and provided Mr K with clear information on next steps.

In relation to the information Lloyd's provided, I can't reasonably conclude this was unclear or misleading. This is because I find that Lloyd's did provide clear communications on what

the policy would cover, how this would be paid, and went on to offer a cash settlement when Mr K continued to request using his own contractor's quote for the works.

As such, I'm satisfied that Lloyd's handled this claim fairly and reasonably and it follows I won't be asking them to do anything more than they have already.

My final decision

For the reasons given above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 18 March 2025.

Stephen Howard
Ombudsman