

The complaint

Mrs M complains about the way Lloyds Bank General Insurance Limited (Lloyds) handled the claim she made on her building insurance policy.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events. In September 2023 Mrs M submitted a claim to Lloyds after an escape of water caused damage to her property. Lloyds arranged a surveyor to attend Mrs M's property and subsequently accepted the claim.

Lloyds arranged for a hotel for Mrs M and her family whilst her kitchen was stripped at the beginning of December 2023. It also agreed to make a one off payment to allow Mrs M to purchase a table, table-top cooker and air fryer as it acknowledged she wouldn't have access to kitchen facilities during repairs to her property.

In January 2024 Lloyds attended the property and noted only some of the necessary stripping had taken place and so further works were required before drying could begin. The property was confirmed as dry on 18 March 2024 and the reinstatement works were organised for the end of June 2024. However this was delayed as kitchen units needed to be removed. Lloyds re-arranged the reinstatement works for the end of July 2024 and agreed to place Mrs M and her family in alternative accommodation whilst this took place. Mrs M raised a complaint about the way her claim had been handled to this point.

On 9 July 2024 Lloyds issued Mrs M with a final response to her complaint. It said there had been a lack of communication and its contractors hadn't kept their promise of turning up to complete jobs. It also acknowledged a contractor had thrown Mrs M's bin into her garden. It said it had provided misleading information about providing alternative accommodation. It said not everything that needed to be removed from Mrs M's property had been removed, and the strip out works weren't completed in a timely manner. It said the cost of alternative accommodation had been agreed and this included a cost for fuel. It agreed to pay £1,100 compensation, £100 towards a new bin, and £40 for a microwave Mrs M had purchased.

The completion of the reinstatement works were then delayed as the required kitchen units hadn't been delivered. As Mrs M's alternative accommodation couldn't be extended, it discussed further alternative accommodation with Mrs M. Mrs M had to remain in alternative accommodation until she was able to return to her property at the beginning of September 2024. Mrs M raised a further complaint about the way her claim had been handled.

On 24 September 2024 Lloyds issued Mrs M with another final response. It acknowledged there had been issues with the contractor carrying out repairs to her property. It paid £550 compensation. It said it was aware Mrs M felt there were outstanding costs for food which hadn't been paid and it would look into this. Mrs M didn't think this was reasonable and so referred her complaint to this Service.

Our investigator looked into things. He said he thought there were unreasonable delays during the claim including delays in the drying process and with repairs starting. He said he

thought it was reasonable alternative accommodation hadn't been arranged originally, and the £500 Lloyds had paid to allow Mrs M to purchase kitchen appliances was reasonable. He said he thought Lloyds had taken reasonable steps to locate suitable alternative accommodation in August 2024. He said he thought it was reasonable for Lloyds to consider any further costs for food if Mrs M could provide it with information about this. He said he thought the total compensation Lloyds had paid of £1,650 was reasonable.

Mrs M didn't agree. She said she didn't think the compensation offered was reasonable. She said she had spent over £4,500 in food costs as she didn't have appropriate kitchen facilities.

As Mrs M didn't agree with our investigator the complaint has 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 want to acknowledge I've summarised Mrs M's complaint in less detail than she's presented it. I've not commented on every point she has raised, instead I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mrs M and Lloyds I've read and considered everything that's been provided.

I also want to be clear about what I've considered as part of this complaint. I've considered the events which occurred up to Lloyds issuing Mrs M its final response of 24 September 2024.

The relevant rules and industry guidance explain Lloyds should handle claims promptly and fairly. Lloyds have acknowledged the service it has provided during the claim hasn't been appropriate and have paid a total of £1,650 compensation. Therefore I've considered whether this is reasonable to acknowledge the impact Lloyds's errors have had on Mrs M.

I agree Lloyds have made errors which have caused Mrs M distress and inconvenience. I don't intend to list every error Lloyds made but have highlighted some of these errors:

- Lloyds failed to appropriately strip Mrs M's property in December 2023. This meant further stripping had to be arranged and caused a delay of around two months.
- Lloyds failed to appropriately prepare the property for the plasterer causing a further delay of around a month.
- Lloyds failed to arrange the delivery of kitchen units. This meant repairs were delayed and Mrs M's alternative accommodation came to an end. She had to return to a property without access to water until Lloyds were able to arrange alternative accommodation. Mrs M then had to arrange to move her family to another location.
- Mrs M agreed to stay in hotel accommodation over the bank holiday weekend with the understanding more appropriate accommodation would be found. However when repairs were delayed Lloyds sought to extend the accommodation Mrs M was in which wasn't appropriate for her needs. Mrs M then had to move her family to further alternative accommodation again.
- The tiler failed to turn up to Mrs M's property to carry out repairs.

I think Lloyds's errors have caused Mrs M sustained distress and inconvenience. Whilst she had received funds towards a table, tabletop cooker and air fryer, this would have been more inconvenient to use than a working kitchen. And the delays in repairs meant Mrs M experienced this inconvenience for several months longer than she should have done. Due to the delays in repairs, she also had to move her family to a number of different accommodations, which taking into consideration the specific needs of her children, would have been particularly distressing.

Taking into consideration the errors I hold Lloyds responsible for, including those highlighted, I think the £1,650 compensation it has paid is reasonable in the circumstances. I think an award of this amount appropriately takes into consideration the sustained distress and inconvenience Mrs M was caused over a period of many months, and serious short-term distress she was caused by having to keep moving her family to different accommodation.

Lloyds have also paid £100 towards the bin it accepts its contractors threw into her garden, and £40 towards a microwave she had to purchase. I've not seen evidence the cost of Mrs M's bin and the microwave Mrs M purchased exceed this and so I think this payment is reasonable.

Mrs M has said she has incurred a number of costs which haven't been appropriately considered by Lloyds, including food, laundrette and fuel costs.

I can see Lloyds included a payment for fuel when it agreed to the alternative accommodation Mrs M required at the end of July 2024. However if Mrs M has incurred additional fuel costs which she can demonstrate to Lloyds she should provide evidence of this to Lloyds for review.

I can see Mrs M told Lloyds she was incurring laundrette costs, and it told her if she keeps receipts it can consider these costs. Again if Mrs M has evidence of the costs she has incurred she should provide this to Lloyds so it can review this as it said it would.

Lloyds have said it would ask its claim team to consider the food costs Mrs M incurred. I think this is reasonable in the circumstances. If once Lloyds have considered the food, fuel and/or laundrette costs, Mrs M remains unhappy she can look to raise this as a separate complaint with Lloyds in the first instance.

My final decision

For the reasons I've outlined above I don't uphold Mrs M's complaint about Lloyds Bank General Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 4 April 2025.

Andrew Clarke
Ombudsman