

## **The complaint**

Mr A complains that Lloyds Bank General Insurance Limited (“Lloyds”) has unfairly declined a claim he made under his home insurance policy.

## **What happened**

Mr A’s kitchen worktop was damaged when a contractor delivered and installed a new washer dryer to his home. Mr A made a claim under his home insurance policy with Lloyds.

Lloyds considered the claim, but declined it on the basis that there was an exclusion in the policy which meant any damage caused by a contractor in the home carrying out improvements or maintenance wasn’t covered.

Mr A didn’t agree with Lloyds’ decision, so he made a complaint. He said Lloyds’ interpretation of the exclusion was incorrect and the delivery of a washer dryer shouldn’t be classed as an improvement, as it doesn’t enhance or improve the property – but merely maintains its current state. In its response to Mr A’s complaint, Lloyds said that installation of an appliance was an improvement to the home, and a greater risk was presented when contractors worked in a property, which is why the policy didn’t cover damaged caused by those contractors.

Mr A didn’t accept Lloyds’ response and referred his complaint to this service. Our Investigator considered the complaint but didn’t think it should be upheld. Mr A didn’t agree with our Investigator’s opinion and asked for an Ombudsman’s decision, so the complaint has now been referred 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 raised or comment on every piece of evidence Mr A and Lloyds have provided. Instead, I’ve focused on those I consider to be key or central to the issue in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m not upholding this complaint. I’ll explain why.

Insurance policies aren’t designed to cover every eventuality or situation. An insurer will decide which risks it’s willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

I’ve checked Mr A’s policy carefully and can see that it provides accidental damage cover, with the following exclusion:

*“We won’t pay claims for damage caused by:*

*- Someone whilst they’re hired to carry out any building, maintenance, improvements or*

*repair work at your home.”*

Lloyds has declined Mr A's claim on the basis that the installation of his new washer dryer was an improvement to his home. Mr A has said that the installation of a new washer dryer doesn't constitute an improvement.

Whilst I accept the policy wording doesn't specifically say that damage caused by workers installing appliances in the home isn't covered, this isn't unusual and a home insurance policy doesn't generally list every possible example of a situation that falls under the exclusions within it. Looking carefully at the specific exclusion Lloyds has relied on, I think the spirit of the exclusion or the intention behind it is to prevent claims for a situation in which tradespeople or contractors cause damage to the property whilst carrying out work, which is what happened here.

In relation to the specific wording of the exclusion, in my view the installation of an appliance could reasonably be seen as an improvement to the home (for example, if the previous appliance was an older model and the newer appliance is therefore clearly an improvement on that) or it could be seen as maintenance, if a washer dryer which had broken was being replaced with one of similar quality. I note that Mr A has said in his complaint form that “Replacing an old appliance with a new one does not enhance or improve the property; it merely maintains its current state.”

So I'm persuaded that the installation of the washer dryer is at the very least, maintenance if not an improvement. And Mr A has used similar terminology himself to describe the effect of having a new washer dryer installed.

In the specific circumstances of this case, I think it would be unfair for the policy to be interpreted in the way Mr A suggests. Contractors and tradespeople often have their own insurance to cover this type of damage, so it's possible that if a claim was successful under Mr A's policy and he also pursued the contractor for the damage, he could be compensated twice. And I think Lloyds' interpretation of the policy seeks to avoid such a scenario, which I don't consider unreasonable.

It follows therefore, that I don't consider Lloyds to have applied the exclusion unfairly to decline Mr A's claim.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 April 2025.

Ifrah Malik  
**Ombudsman**