

The complaint

Ms M complains about Lloyds Bank General Insurance Limited's handling of a subsidence claim made under her buildings insurance policy.

Any reference to Lloyds includes its agents.

What happened

Ms M holds buildings insurance cover with Lloyds. She made a subsidence claim after noticing cracks in her porch. Lloyds carried out site investigations, and it was found that some of the nearby drains were damaged. Lloyds concluded that this was causing the subsidence, and the drains were repaired.

Lloyds then wanted to carry out repairs to the porch. Its contractor put together a schedule of work for the repairs. However, Ms M was unhappy with this and wanted Lloyds to completely rebuild the porch. Lloyds said that wasn't necessary. And, as an alternative, offered Ms M a cash settlement based on the amount it would cost Lloyds to do the repairs set out in the scope of works.

Ms M complained to Lloyds about its decision to repair the porch instead of rebuilding it. She was also unhappy about Lloyds' automated message on its telephone system.

Lloyds provided its final response on the complaint on 17 July 2024. It noted Ms M was unhappy with its recorded messages, but said they were there for its protection and were not to accuse Ms M of poor conduct. Lloyds confirmed it had reviewed the schedule of work and was satisfied the porch could be repaired and didn't need to be rebuilt. Lloyds said that Ms M could instruct her own contractor to provide her with an independent assessment of the porch if she disagreed and confirmed it would review this.

Ms M sent Lloyds further correspondence. She then complained that Lloyds hadn't responded to her, and she was expecting it to get in touch.

Lloyds issued a further final response on 3 October 2024. It acknowledged that since it had responded to Ms M's previous complaint, it hadn't always responded to her emails in a timely manner. It paid her £100 compensation for this.

Unhappy with Lloyds' responses to her complaints, Ms M brought her concerns to this service.

I issued a provisional decision on 20 March 2025. Here's what I said:

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.'

Ms M is concerned that Lloyds has opted to repair the porch rather than rebuild it. She says the cracks have become wider since the drain repairs took place, but Lloyds hasn't revisited to see if the subsidence is ongoing.

Lloyds says the cause of the subsidence (leaking drains) has been removed and so the ground will dry out giving normal stability. Lloyds says it is confident stability has returned and repairs can be completed, and that monitoring isn't required.

It's not clear to me how Lloyds knows that stability has returned to the porch, when monitoring hasn't taken place to ensure this is the case. Given Ms M's concerns about the cracks getting wider since the drain repairs, and if repairs to the porch haven't already taken place, I intend to require Lloyds to carry out monitoring of the cracks to ensure the cause of the movement has been addressed before any repairs begin.

Once it has been established that there's no further subsidence, Lloyds can arrange the repairs. Lloyds says the subsidence identified was 'slight' and there's no reason for the porch to be rebuilt. Its contractor attended and was of the opinion they could repair the damage. So, provided the subsidence has stopped, it seems likely the porch will be able to be repaired.

Ms M said from the outset that she wanted the porch rebuilt and wouldn't accept anything else. Her reasoning for this was because she wanted to sell her house at the time and didn't think she could do this if the porch was only repaired. However, Ms M hasn't provided any independent evidence to counter Lloyds' view that the porch can be repaired. I think it was reasonable for Lloyds to rely on the opinion of its contractor that the damage could be repaired.

Ms M has questioned how Lloyds is going to be able to deal with the cracks and gaps in the porch, as she doesn't think they can be repaired. But that is for the contractor to deal with, as they are the experts. Lloyds is required to provide an effective and lasting repair, but if Ms M is concerned with the repairs after these have been completed, she can raise that with Lloyds.

Lloyds' schedule of works confirms that the repair will include levelling the porch floor and replacing the floor tiles. Ms M says the floor tiles are no longer available and these extend from the porch through to the hallway and kitchen. She doesn't want the tiles not to match.

I've seen photos of the porch flooring flowing through to the hallway flooring. There's no break in the tiles, such as a door bar. I don't know for certain if that's also the case between the hallway and the kitchen, though I'll assume it is, unless Ms M says differently in response to this provisional decision.

Ms M didn't raise her concerns about the matching flooring with Lloyds before it issued its final response letters on her complaints. Though our investigator considered this, and Lloyds didn't object to her doing so. I've therefore done the same.

Our investigator correctly explained that under the 'Ultimate' policy, there is matching sets cover. Under this cover, Lloyds would replace the undamaged part of a matching set in full.

Ms M doesn't hold this cover, and so I don't require Lloyds to replace the undamaged flooring in full. Under Ms M's policy, there was no option to add matching sets cover.

However, Ms M currently has matching tiles flowing through from her porch to the other rooms without any break, and that won't be the case after the repairs are done. So, she will experience a loss of match. In these circumstances, I think the fairest approach would be for Lloyds to pay compensation equivalent to 50% of the cost of replacing the undamaged flooring.

Ms M sent emails to Lloyds in August 2024 which weren't acknowledged. Lloyds has paid Ms M £100 compensation for the poor service, and I think this was reasonable.

Ms M is unhappy with the message on Lloyds' telephone service, though I don't think the message is inappropriate.'

I asked both parties for any further comments they wished to make before I made a final decision.

Ms M responded with the following main points:

- She has questioned how I can make a decision without carrying out an inspection. She doesn't think it's acceptable for me to say the contractor should decide how to put right the damage.
- She will pay 50% of the undamaged matching tiles.
- She has confirmed there is no door bar between the porch, hallway and kitchen.

Lloyds responded with the following main points:

- It will carry out monitoring to confirm stability.
- The repairs haven't yet started, though it accepts it's likely that the porch tiles will be damaged and will require replacing. Though it can't confirm this until repairs start.
- The policy says Lloyds will replace an item with a new item on a like for like basis. That means it will try and replace it with an exact match, and if it can't find an exact match, it will replace it with the nearest equivalent.
- Whilst it acknowledges this service's approach to matching sets, if it's unable to replace the tiles on a like for like basis, then its policy wording for flooring supports 100% replacement when there's no breaks or door bars.
- Though until repairs start, it won't know if or how many tiles may become damaged. Once it knows this, it can give Ms M a more definitive decision on the flooring, though it's highly possible that all flooring in the three rooms will be replaced.

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.

We've explained to Ms M that we are an evidence-based organisation and therefore don't carry out site visits. Instead, we rely on the evidence presented to us by both parties before

deciding what is fair and reasonable in all the circumstances. Here, Lloyds' contractor is of the view they can repair the damage and there's no need to rebuild the porch. As I said in my provisional decision, Ms M hasn't provided any expert evidence to suggest that the contractor's opinion is wrong. I therefore remain satisfied it was reasonable for Lloyds to conclude the porch can be repaired.

Lloyds makes the point that the repairs haven't yet started, and so it doesn't know for certain that the porch tiles will need to be replaced. If it's the case that the porch tiles *don't* need to be replaced, then of course there will be no need for Lloyds to pay towards replacing the matching tiles in the hallway and kitchen.

Although Ms M doesn't have matching sets cover, Lloyds has pointed out that the policy says the following:

'We'll only pay for damage to floor coverings in the room where the damage happened. We won't pay for undamaged floor coverings in other rooms where there's a break or door bar separating the rooms.'

So, Lloyds says that because there's no break or door bar between the porch, the hallway and the kitchen, then if it can't replace any damaged flooring in the porch on a like for like basis, then it would replace 100% of the flooring in the three rooms. This would mean Ms M would be better off than what I'd provisionally decided, and therefore I no longer require Lloyds to pay 50% of the undamaged matching tiles. We've let Ms M know this.

If there's any dispute between Ms M and Lloyds about the flooring after the repairs are done, Ms M should raise this with Lloyds in the first instance.

My final decision

My final decision is that I partly uphold this complaint. I require Lloyds Bank General Insurance Limited to carry out monitoring to establish there is no further subsidence movement to the porch before repairs begin.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 7 May 2025.

Chantelle Hurn-Ryan
Ombudsman