

The complaint

Mr B and Mr R complain about Lloyds Bank General Insurance Limited's handling of a claim under their home insurance policy.

Lloyds has been represented on the claim by its agents, including the Loss Adjuster. For simplicity, at points, I've referred to the actions of Lloyd's agents as being its own.

What happened

Mr B and Mr R had a home insurance policy with Lloyds.

In June 2021, they made a claim for damage caused by an escape of water in their kitchen/conservatory. After works were completed, they returned to their home in April 2022 and the claim was subsequently closed.

Mr B and Mr R then discovered leaks in their conservatory. They felt this was linked to the escape of water claim, so they contacted Lloyds in January 2023. They were then advised to contact the Loss Adjuster. Mr B and Mr R accept the emails they sent following this were to the wrong email address.

Mr B and Mr R did then successfully contact the Loss Adjuster in around September 2024 and the claim was reopened. But in October 2024, without having inspected the damage, the Loss Adjuster said the issues reported were not connected to the previous claim and the claim was closed.

Following this, in October 2024, Lloyds did agree to inspect the damage. Mr B and Mr R complained in November 2024, because they'd not heard from Lloyds since its agreement to inspect the damage. The Loss Adjuster attended in early December 2024 to carry out the inspection, and in January 2025, Mr B and Mr R complained about the delay in the report being issued following this visit.

Lloyds issued a complaint response in January 2025. It accepted it had provided poor service under the claim, including closing the claim in error, delays, and poor communication. It offered to pay Mr B and Mr R £350 compensation.

Mr B and Mr R referred their complaint to the Financial Ombudsman Service. They remained unhappy the report still hadn't been provided, and they weren't confident Lloyds would decide the claim fairly.

Following this, because Mr B and Mr R first contacted Lloyds in January 2023 to advise of the further damage, Lloyds offered to pay a further £350 compensation, bringing the total compensation offered to £700. I understand since then, Lloyds has made a decision to decline Mr B and Mr R's claim for the further damage.

The Investigator said the Loss Adjuster's decision to close the claim in October 2024 was unfair, and there was evidence of avoidable delays Lloyds was responsible for. But they said Lloyds's total compensation offer of £700 was fair and reasonable in the circumstances.

The Investigator also explained that any complaint about Lloyds's subsequent decision to decline the claim would be considered under a new complaint. I understand the Investigator has set up a new complaint and is currently investigating this separately.

Mr B and Mr R said they were still unhappy with the treatment they received from Lloyds.

Because the complaint couldn't be resolved, 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 should first set out that the Financial Ombudsman Service is a dispute resolution service, not the regulator of the insurance industry. So it's not our role to fine and punish a business. Our role is to look at whether a business has acted fairly in the circumstances of the complaint and decide what it needs to do where it hasn't.

As outlined by the Investigator, this complaint concerns Lloyds's actions up until its final response of 20 January 2025. So this is what I've considered under this decision. Because Lloyds issued its claim decision after this date, Mr B and Mr R's complaint about the claim decision is being considered separately under another complaint.

Having reviewed the evidence, including Lloyds's admissions, I'm satisfied it communicated poorly with Mr B and Mr R after they raised the further damage. I can see Mr B and Mr R had to chase progression of the claim and the claim was closed incorrectly, without a fair investigation, and without keeping Mr B and Mr R sufficiently informed.

Lloyds has accepted the above, and it has accepted it should have been more proactive in investigating the further damage Mr B and Mr R raised, following their initial contact in January 2023. It also accepts its mistakes delayed the progression of the claim, and the delays included the time taken for the Loss Adjuster to issue the report following their visit.

Mr B and Mr R also accept they'd initially sent their emails to an incorrect email address. This is supported by the evidence I've seen, and I think this would also have added to the delays in progressing the claim.

Overall, keeping in mind the above, I'm satisfied Lloyds's mistakes caused Mr B and Mr R considerable distress, upset and worry, along with significant inconvenience and disruption over many months. But the total compensation of £700 Lloyds has offered is in line with what I'd have recommended in the circumstances. So, I think Lloyds's offer is fair and reasonable in the circumstances, and this is what I will direct it to pay.

My final decision

My final decision is that I uphold this complaint.

If it hasn't done so already, I require Lloyds Bank General Insurance Limited to:

- Pay Mr B and Mr R £700 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mr R to accept or reject my decision before 30 June 2025.

Monjur Alam
Ombudsman