

The complaint

Mr D complains about the handling of his buildings insurance claim by Society of Lloyd's ('SoL').

Any reference to SoL includes its agents and the insurer that underwrote the policy.

What happened

SoL provides buildings insurance cover for a multi-occupancy property. In 2019, there was an escape of water at Mr D's flat. A plumber fixed the leak but there was damage to the property. Mr D made a claim in May 2020.

SoL arranged for its contractor to attend and provide a quote for the repairs. SoL agreed to the quote in July 2020. However, Mr D didn't want repairs to go ahead at the time as he was in discussions with the freeholder regarding an uninsured issue at the property relating to the plumbing.

The repairs were arranged for February 2021. However, the Covid-19 pandemic and lockdown restrictions meant that further delays occurred, and Mr D also said it was too short notice for him anyway. Repairs took place in June 2021.

Mr D raised concerns with the repairs that had been done, including that the wrong size bath panel had been fitted, the bath was scratched, insulation under the bath hadn't been replaced, sealant had not been done properly, and there were two further leaks. The freeholder arranged for the leaks to be fixed. SoL arranged for a different contractor to carry out the further repairs. However, due to ongoing negotiations between the parties, I understand some of this work ended up being delayed until March 2022. There was then a lack of availability of some materials, which led to a further delay. The repairs were then completed in August 2022.

Also in August 2022, Mr D noticed further damage caused by the initial leak that he hadn't been aware of previously. There was damage to a cupboard housing his boiler, plus damage to flooring and woodwork associated with that cupboard door.

SoL carried out an inspection of this damage and agreed in December 2022 to carry out further repairs. These were postponed due to some personal issues Mr D was experiencing. Though he confirmed in May/June 2024 they could take place. SoL arranged for repairs to start the following month, and they were completed in August 2024. Mr D needed to move out for a few weeks whilst these repairs took place. SoL confirmed it would arrange the alternative accommodation (AA) for him.

Mr D had found a flat where he wanted to stay, so SoL booked this for him. However, Mr D then chose not to stay there and booked a hotel instead. SoL refused to reimburse him for the hotel costs.

Mr D had complained to SoL about the 2021 repairs carried out. SoL didn't acknowledge his concerns for some time, which led to Mr D complaining about its handling of the complaint

too. Eventually, in July 2024, SoL acknowledged that his complaint ought to have been dealt with sooner and offered him £100 compensation for this. It confirmed his concerns about the repairs would be addressed separately.

SoL issued a final response on 4 October 2024 addressing its handling of the claim. It accepted there had been some snagging issues after the initial repairs that took place in June 2021, though SoL didn't think this was unusual. However, it offered Mr D £300 compensation for the two months needed to carry out the repairs in 2024.

Mr D remained unhappy with SoL's July 2024 response regarding its handling of his complaint. He made a new complaint about SoL's refusal to pay his hotel costs.

SoL issued two further final responses on 21 January 2025. In one of those, it increased its offer of compensation in respect of its handling of Mr D's complaint by a further £200 (so it offered £300 in total). In the other, SoL said it thought the AA it had paid for had been reasonable and confirmed it wouldn't be reimbursing Mr D for his hotel costs.

Mr D remained unhappy and brought a complaint to this service about the three issues – SoL's handling of his claim, SoL's handling of his complaint, and SoL's refusal to cover his hotel costs.

Our investigator looked into things but didn't recommend the complaint be upheld. She thought the compensation offered by SoL for its handling of the claim had been reasonable. She said that complaints solely about complaint handling didn't fall within our jurisdiction. Finally, she concluded that SoL had acted fairly in respect of the AA.

Mr D didn't accept our investigator's findings and so the matter has been passed to me for a decision.

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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims promptly and fairly. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of Mr D's complaint.

New issues

There were further issues found by Mr D in August 2022 that he and SoL hadn't been aware of before. These repairs were carried out in August 2024, though Mr D remains unhappy with the quality of those repairs. As Mr D is aware, SoL didn't consent to this service considering his concerns under this complaint as it wanted to respond separately to him about this. I understand it has now done so, and he has brought a new complaint to our service about this. I therefore won't be considering his concerns about these repairs in this decision.

Claim handling

Mr D has raised a number of concerns about SoL's handling of his claim, though I'm not going to respond to each and every point that has been made. That's not meant as a discourtesy, it simply reflects the informal nature of this service.

I've noted Mr D's concerns about the plumbing, though I understand this was arranged by the freeholder's contractor and therefore SoL wasn't responsible for the plumbing issues.

There were significant delays in the claim being progressed, but I've looked at the reasons for that and I'm satisfied SoL didn't cause any major avoidable delays. For example, there was a ten-month delay in Mr D making the claim to SoL (though I appreciate he was in discussions with the freeholder about the damage over this period). There was also an issue regarding the plumbing that Mr D was in discussion with the freeholder about which caused delays, and then further delays related to uninsured work. Though the longest delay was due to Mr D's personal circumstances. So, I don't find that SoL caused delays with the claim.

It's not in dispute that the initial repairs carried out by SoL's contractors needed further work. For example, there were scratches to the bath and shower door, and the sealant needed to be done properly, as well as some other issues. I agree with SoL that these repairs would be considered general snagging issues. Nonetheless, I can appreciate Mr D's frustration that contractors needed to reattend to put right these issues.

SoL offered Mr D £300 compensation for the time taken to complete these repairs in 2024. I don't think the repairs that took place in 2024 took a particularly long time, and so I agree with our investigator that the compensation should reflect the fact that contractors needed to revisit the property to carry out further repairs in August 2022. Whilst I've found this was for general snagging issues, it's clear that it has ended up causing Mr D particular upset and inconvenience. Though taken in the round, I'm satisfied that £300 is reasonable compensation for the impact on Mr D by SoL's handling of his claim.

Complaint handling

Mr D complained to SoL about the 2021 repairs carried out, and it didn't acknowledge his complaint for over two years. This was really poor. Our investigator has explained that complaints solely about complaint handling aren't a regulated activity that we can consider. That is correct. Though here, I'm satisfied it all related to Mr D's main complaint about the initial repairs carried out by SoL in 2021 and therefore I can consider it.

We let the parties know this, and that I thought the £300 compensation SoL had offered for its handling of the complaint was fair. I invited the parties to provide me with any further comments about this, but neither party did so by the deadline we gave. I therefore remain satisfied that £300 is fair compensation for SoL's poor handling of Mr D's complaint.

AA

Mr D chose the flat where he wanted to stay for AA. This was secured for him by SoL and paid for. He was then asked to sign a guest agreement confirming he was responsible for maintaining the property and for any damage caused. Mr D refused to sign this. As SoL has explained, it's standard procedure for such an agreement to be signed. I've read the agreement, and I don't think it required Mr D to sign anything other than what would usually be expected for guest accommodation. Mr D was given the option of paying a £500 refundable deposit in case of damage, or a damage waiver costing £40. The property company arranging the AA offered to pay the damage waiver for him. I think this was reasonable.

So, I'm satisfied that SoL arranged suitable AA for Mr D. Although he then chose to stay in a hotel and paid for this himself, I don't require SoL to reimburse him for this. I say that because it had already paid for the flat that he initially chose and this was non-refundable.

My final decision

Society of Lloyd's has already made an offer to pay £600 total compensation to settle the complaint, and I think this offer is fair in all the circumstances.

So, my decision is that Society of Lloyd's should pay Mr D £600 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 1 December 2025.

Chantelle Hurn-Ryan
Ombudsman