

The complaint

Mr H complained about how Lloyds Bank General Insurance Limited has handled a claim on his buildings insurance policy.

What happened

The events are well known to both parties, so I won't go into them in detail here. A claim was raised with Lloyds in July 2018 after damage due to subsidence was first noticed. The claim has been ongoing since. Initially Mr H's father was living in the property. I was sorry to hear that Mr H's father passed away in September 2023. I send my condolences to Mr H and his family. Mr H has been unhappy with how the claim has been handled. He's raised several complaints with Lloyds. Lloyds have accepted the claim should have been handled better and has offered Mr H compensation on multiple occasions. Mr H is unhappy with the responses from Lloyds and brought the complaint to this service.

Our investigator didn't uphold Mr H's complaint. They thought the compensation that had already been offered was fair and reasonable in the circumstances. Mr H appealed. He was unhappy we didn't look into the entire claim. He's also said the compensation isn't enough. As no agreement could be reached, the complaint has been passed to me to make a final 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.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether Lloyds acted in line with these requirements with how they handled Mr H's claim.

At the outset I acknowledge that I've summarised his complaint in far less detail than Mr H has, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

As a starting point, it's important to set out the scope of this decision. Mr H has asked we look into the whole complaint and not just part of it. I've already issued a decision on the jurisdiction issues raised and considered the exceptional circumstances raised by Mr H. In that decision I set out that most of the complaints raised with Lloyds were brought to us out of time. This decision is only considering the complaints that were brought in time. So, I've considered the events from 16 April 2024 to 28 January 2025.

Mr H has also raised concerns about Lloyds now wanting to start repair work when he doesn't think the property is stable. This has happened since the complaint has been raised with us and no complaint has been raised with Lloyds about this yet as far as I'm aware. So, this isn't something I'm able to look into in this complaint. Should Mr H remain unhappy, he'll need to raise this as a new complaint with Lloyds first.

During the above period, Lloyds issued responses to two complaints. The first was in August 2024. Lloyds accepted there had been delays and poor communication. They awarded Mr H £750 compensation. The second was in January 2025. Lloyds accepted there had been poor communication and awarded £250 compensation. Lloyds also agreed to consider costs Mr H has had in regards to council tax on the property.

Lloyds has accepted the claim should have gone better, this isn't in dispute. So, I'll be focusing on the compensation award and whether it's fair in the circumstances for the nine-month period set out above.

I appreciate that it must have been frustrating for Mr H to have the claim going on for such a long period of time. I can understand how the lack of contact on the claim will also have an impact on him. Although this is a distilled version of events, I've considered everything in the round and I think Mr H has been caused substantial distress, upset and worry which has caused serious disruption to his daily life over a sustained period of many months. In line with our website guidelines, I think the £1,000 compensation offered by Lloyds is fair and reasonable in the circumstances.

Mr H has also raised about other costs including a loss of rent on the property and having to pay council tax. Lloyds has agreed to consider the council tax Mr H has been paying on the property. They've asked him to provide them some information so they can consider this further. I wouldn't expect Lloyds to cover any loss of rent. As Mr H has inherited the property from his father whilst the claim has been ongoing, there's nothing to suggest Mr H would have rented the property out. Subsidence is also a complex issue and can take time to figure out the cause of the issue. The whole period of time isn't delays and monitoring has been taking place. So, I need to consider the distress and inconvenience holistically. As I've said above, I think the £1,000 already offered, is fair in the circumstances.

I'm very sorry that my decision doesn't bring Mr H more welcome news at what I can see is a very difficult time for him. But in all the circumstances I don't find that Lloyds has treated Mr H unfairly or unreasonably in the compensation they've offered in response to his complaints.

This claim has been going on for far too long. I hope that Lloyds will be able to bring this to a close as soon as possible for Mr H so both parties can move on.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint. I don't require Lloyds Bank General Insurance Limited to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or

reject my decision before 4 November 2025.

Anthony Mullins
Ombudsman