

## **The complaint**

Mr and Mrs S are unhappy that Lloyds Bank General Insurance Limited (“LBG”) declined their claim for external storm damage and didn’t offer a full settlement for the internal damage.

Mr and Mrs S are joint policyholders of buildings and contents insurance underwritten by LBG. For ease of reading, I’ll refer to Mr S throughout my decision.

Any reference to what Mr S said or what LBG said should be taken to include anything said on their behalf.

## **What happened**

The circumstances of the complaint are well known to both parties, so I’ve summarised what I think are the key events.

In November 2023, Mr S claimed under his buildings insurance for storm damage to his flat roof, and kitchen and lounge ceilings. LBG didn’t think there’d been a storm meeting the policy criteria, but it sent someone to assess the damage.

After inspecting the damage, LBG declined the claim. It said the flat roof showed signs of poor workmanship, suggesting that the damage was not caused by a storm. LBG relied on the policy exclusion for poor workmanship and that there hadn’t been winds meeting the storm definition.

Mr S complained about LBG’s assessment of the damage. He said the flat roof had been replaced three years before and he didn’t think the assessor had looked at the roof or the lounge ceiling. LBG responded to say that it declined the flat roof claim for the reasons it had given. However, it accepted that it had failed to assess the internal damage under the policy terms for damage caused by torrential rain.

LBG accepted the claim for internal damage and offered £175 by way of apology for the distress and inconvenience caused.

Mr S asked for a cash settlement for the internal repairs, and he provided quotes for a replacement ceiling in the kitchen and lounge. LBG thought the quotes were excessive and its own contractor said the ceiling didn’t need replacing. LBG offered a cash settlement based on its own contractors costs.

Mr S was unhappy with the settlement offer. LBG issued a final response to say it maintained its offer, but it would look at any further evidence he provided regarding the cost of repairs.

Mr S brought his complaint to us. When our investigator looked into the merits of his complaint, he didn’t think there was anything more that LBG needed to do. He said LBG had acknowledged its mistake in declining the claim for internal damage, and put that right by accepting the claim and paying compensation for its mistake. Our investigator didn’t think

LBG had unfairly declined the claim for the flat roof because the evidence showing poor workmanship was compelling. Therefore, our investigator didn't uphold the complaint.

After checking that the outcome meant he would still receive the compensation and cash settlement LBG had offered, Mr S accepted our investigator's view.

Five months later, Mr S contacted our investigator to say LBG hadn't properly assessed the damage or paid the settlement. Specifically, he said the lounge ceiling hadn't been included in LBG's cash settlement offer.

Our investigator looked again at the evidence. He didn't think Mr S had provided anything that warranted a change in outcome, and he repeated that LBG would consider any evidence he provided to support his claim.

Because he didn't agree with what our investigator said, Mr S's complaint was 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.

Having done so, I've decided not to uphold Mr and Mrs S's complaint for broadly the same reasons as our investigator.

The Financial Conduct Authority's rules (ICOBS 8.1.1) say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. My role is to consider whether LBG responded to Mr S's claim in line with those rules, and reasonably in all the circumstances, taking into consideration good practice, the law, and what is likely to have happened given the evidence available.

The policy sets out the detail of the contract between Mr S and LBG, including the definition of a storm and the circumstances under which it will or won't accept a claim.

### **Roof**

LBG hasn't disputed that there was a wet storm event, and I think it's fair to say that roof damage can be typical of that caused by a storm. So I've gone on to consider whether LBG fairly declined Mr S's claim for the reasons it gave.

I've looked at the photos of Mr S's flat roof. LBG said the damage was due to poor workmanship, but Mrs S said it had been replaced just three years before. I'm persuaded by the photo evidence that LBG fairly concluded the roof was poorly installed. That's because the seams are split, the covering is uneven, and it has bubbled and lifted in places. LBG also commented that the upstand was incorrectly finished. On balance, I find that LBG reasonably concluded that heavy rain was unlikely to have been the *cause* of the roof damage, rather it had leaked in due to the poorly fitted roof.

The policy states:

*What this policy doesn't cover*

*We also won't pay claims for damage caused by:*

- *Bad workmanship or design.*

- *Unsuitable or faulty materials being used.*

Therefore, I'm satisfied that LBG's assessment of the photos was reasonable, and that the evidence suggests LBG declined Mr S's claim fairly, and in line with the policy.

## **Ceilings**

After its initial mistake, LBG accepted that the internal damage was covered under the policy. Mr S accepted our view that LBG made a fair offer to cash settle based on its own contractor's costs to repair. However, I note that he now believes LBG didn't include the damage to his lounge ceiling. LBG said it wasn't made aware of damage to the lounge ceiling – only the kitchen. If it had been made aware, it would've included any repair costs in its settlement offer. LBG maintained its offer to consider any evidence Mr S provides.

I've looked at the notes for when the claim was first raised, but I haven't seen anything to show that Mr S specifically mentioned his lounge ceiling. The surveyor's report only mentioned the kitchen ceiling (and flat roof), and photos were included. If Mr S had reported the lounge ceiling damage to LBG, I think it's more likely than not that LBG would've taken photos as it did with the kitchen and flat roof. If LBG wasn't made aware of damage to the lounge ceiling, then I can't reasonably say it failed to consider all elements of the claim.

Given the evidence, and what I think is likely to have happened, I'm satisfied that LBG made an offer in keeping with the damage of which it had been made aware. The option for Mr S to provide a cause of damage report for the lounge ceiling is still open to him, so I don't find that there's anything more LBG needs to do in respect of this point.

## **Repair costs**

Mr S had the repairs to the roof and both ceilings completed, and he provided LBG with the invoice. However, LBG said the charge was excessive for the work required. It offered a settlement equal to what it would've cost for its own contractors to do the work. That said, LBG told Mr S it would consider any further evidence he provided.

Mr S has told LBG that he paid cash for the work, and the contractor won't provide him with a receipt or detailed breakdown of the work done. Therefore, he is unable to show that he paid or what he paid for. While I appreciate this will be frustrating, I can't fairly ask LBG to pay more than it offered. That's because LBG determined what work was required and made a settlement offer based on that. Had LBG completed the work, it would've provided a guarantee for at least 12 months. I don't think it's unreasonable to expect that Mr S would've obtained a receipt and similar guarantee from the contractors he used to complete the work. So, whether or not Mr S paid more and can evidence that, it doesn't mean LBG will pay more. That's because Mr S preferred to have a cash settlement, so LBG can limit its liability to its own costs for the work covered under the policy.

## **Summary**

I have no reason to doubt Mr S's account of events – that following a wet storm, rain leaked through his kitchen and lounge ceilings. But the key point, here, is that the flat roof was already showing signs of wear, likely caused by poor workmanship, as evidenced by the photos. So, the rain has simply entered the house via pre-existing damage. LBG declined Mr S's claim under the policy exclusion of poor workmanship. I'm satisfied that it reasonably relied on the evidence to decline the claim, in line with the policy, and that it was fair in the circumstances.

**My final decision**

For the reasons I've given, my final decision is that I don't uphold Mr and Mrs S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 25 August 2025.

Debra Vaughan  
**Ombudsman**