

The complaint

Mrs L complains that Lloyds Bank General Insurance Limited (“Lloyds”) has unfairly handled a claim made under her home insurance policy following an escape of water at her property.

Any reference to Mrs L or Lloyds includes respective agents or representatives.

What happened

The background of this complaint will be well known to all parties, so I’m just going to provide a summary of events here.

- Mrs L is the sole policyholder of a Lloyds home insurance property. She lives in her home with her husband (who is disabled) and she has pets. Mrs L and her husband support a nearby relative.
- In January 2025 Mrs L discovered an escape of water within her bathroom. She contacted her insurer Lloyds on 24 January 2025 to make a claim under her home insurance policy. And following Mrs L’s instruction of a local plumber the issue was resolved, but it had led to the removal of a shower tray and tiles around it. This impacted the only bathroom within Mrs L’s home.
- Lloyds accepted the claim and asked Mrs L for various information and quotes. Mrs L followed this instruction and provided several quotes by mid-February 2025.
- Lloyds considered these and said its own agent produced their own scope of works and appointed a loss adjuster as it felt Mrs L’s quotes were high.
- In early March 2025 Mrs L contacted Lloyds to raise concerns about the day to day impact the claim was having on her life. She said the absence of bathroom facilities meant she and her disabled husband had been left to use a local swimming baths for washing facilities during this period. She also requested a clear plan of action moving forward with the claim.
- During this call Lloyds took steps to arrange alternative accommodation (“AA”), beginning with temporary accommodation. It said this would allow its loss adjuster to find a suitable longer term let. This was booked for five days which Lloyds has said was due to the availability of the accommodation Mrs L had requested.
- This five-day temporary accommodation period expired, and Mrs L has said the absence of anything following this being arranged meant her and her husband had to move back into their home without facilities for another few weeks until further accommodation was arranged.
- Mrs L complained to Lloyds about its handling of the claim and it issued its final response on 30 April 2025. It upheld her complaint, saying:
 - It had handled the claim poorly and apologised for the trouble and upset caused. And it offered £1,000 in compensation.
 - Its team were not proactive in arranging AA and it acknowledged it made mistakes which led to Mrs L and her husband living for a further period

without washing facilities in their uninhabitable property.

- Lloyds acknowledge various instances of updates not being provided when it said they would be, and the claim not progressing as it should've done.
- While it had needed to validate costs before providing a settlement, it had done this too slowly and it had taken unnecessary steps to build its own scope of works which delayed matters.
- It would provide AA for two months while the necessary repairs were carried out by Mrs L's contractors.
- After the complaint came to our Service, Lloyds said it should've already recognised any additional costs incurred related to the swimming baths Mrs L had used across the period of the claim. And it apologised for not considering this earlier and increased its award of compensation by £100.
- Mrs L brought her complaint to this Service for an impartial investigation. She described the impact of the lack of suitable accommodation on her and her partner, as well as having to incur additional travel costs. She asked for additional out-of-pocket expenses incurred including skip hire, additional daily travel costs incurred between the AA and her town (including public transport and taxis), and increased compensation to reflect the impact of Lloyds' actions.
- Mrs L has also raised concerns with Lloyds regarding the suitability of the AA it did provide. She highlighted certain requirements, in light of her husband's needs and having pets, for a suitable let. Mrs L highlighted the AA should be located in the town she lives – but she was placed in AA about 10 miles away from their home.
- One of our Investigators looked into things, she highlighted Lloyds mistakes in regards to delays, poor communication, and lack of proactive steps regarding the AA. She determined Lloyds' offer of £1,100 in compensation and offer to pay costs incurred related to the swimming baths was fair and reflective of the impact of Lloyds' mistakes and poor handling. And the Investigator highlighted that the complaint about suitability of the AA was subject to a separate complaint – so she considered events up until the point of the AA being provided towards the end of April 2025.
- Lloyds agreed with the assessment, but Mrs L disagreed and asked for an Ombudsman's review. She emphasised the impact of these events on her wellbeing, and said she'd been off work sick for a prolonged period related to the experience Lloyds had put her through. And she described the continued impact on her husband.
- Mrs L has also told this Service that Lloyds has since agreed to provide her desired AA within her hometown from 14th May 2025.

So, the matter has been passed to me for an Ombudsman's 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.

I'll begin by highlighting this complaint concerns an ongoing claim that evidently is not resolved and subsequent complaint points have developed since Lloyds has issued its final response on 30 April 2025. It is not the role of this Service to become a claims handler nor would I want to interfere with matters that may well be resolved already or at the point of settlement, so my commentary and findings will be limited to the events that took place up until this final response and not focused on the suitability of the AA which will form the basis of a separate complaint. If Mrs L is unhappy with Lloyds' answer on this, she may bring the

matter to this Service (in line with our usual rules).

In this case there is no dispute that the claim itself is covered by the insurance policy. The matter in hand is instead about the handling of the claim and the service provided by Lloyds. So, there are various key issues I need to consider. Did Lloyds treat Mrs L as it should've done? And if it didn't, what was the impact on her as a result?

I should also address here, while I have taken everything Mrs L has told us into account, I want to be clear that the rules that govern this Service mean it is only Mrs L that I can consider when looking at compensation and distress and inconvenience caused. So, while I have much sympathy for Mrs L's husband based on the descriptions she has given, I simply cannot make any direct award to him for the experience he has had.

Delays in providing AA and claims handling

Lloyds has an obligation to handle claims promptly and fairly, and to keep a consumer updated with relevant updates

Lloyds has been clear it did not consider AA when it should've done so at the start of this claim. From the reports I've been given, it seems to me that it would've been evident to Lloyds from the start that the property was without functioning washing facilities and this would've impacted Mrs L and her household immediately. So, I think its lack of engagement on this point until she raised the matter was poor.

Mrs L has described incurring costs during this time such as the use of the swimming facilities nearby. It also strikes me that Mrs L has been clear about this from an early stage so again I think Lloyds missed an opportunity to proactively address this and tell Mrs L it would look to cover any additional costs she's incurred and arrange AA. I'm glad to see Lloyds has since recognised this and is willing to consider these costs – and I'd expect this to be alongside any other costs incurred throughout the life of the claim at the point of final settlement if not before.

Mrs L has described the impact of having to use the swimming bath facilities across this time, and I can understand why this would've been both inconvenient as well as frustrating for the prolonged period this was necessary, particularly taking into account the impact on Mrs L's husband which Mrs L has told us how this has left her at times feeling powerless to support him as she would've liked to as his wellbeing and mental health suffered. I'm very sympathetic to her situation here, and I can understand why this impact on her partner would affect her as she's described.

From what I've seen within Lloyds' submissions, it had considered different options for AA, and I think in places its agents had sought to try to meet Mrs L's requirements. But ultimately the delays in starting the process inevitably have led to this situation becoming worse and more hurried in trying to find a suitable location. As outlined above, I won't go into the suitability of the AA eventually found as Lloyds has said it will answer this under a separate complaint – if it hasn't done so already.

Lloyds has also been clear that it believes its own actions delayed the claim. I won't repeat all of its reasons, but I'm satisfied it failed to act promptly as it was required to. And I think the communication and updates for Mrs L could've been a lot better than what was provided.

Overall, Lloyds has made an award of £1,100 for the impact on Mrs L for all of its mistakes in handling, covering the period of January up until end of April 2025 (excluding any concerns about suitability of AA). I've thought very carefully about everything that's happened, and the impact on Mrs L as she's described. I don't doubt this has been a very challenging time for

her. While a claim of this nature and an inevitable period outside of the home would always carry a degree of frustration and stress, Lloyds actions did not support her in reducing this, and to the contrary it exacerbated the situation through a lack of proactive steps and delays.

I am glad to see Lloyds take responsibility for these mistakes, and taking everything into account, I'm satisfied the sum of £1,100 in total for the impact of Lloyds actions is a fair and reasonable sum, and in line with the award I'd have otherwise made.

Other concerns raised by Mrs L

Mrs L has described incurring other additional costs, including skip hire costs, journeys to and from her own town. She said due to the medication she is on, she could not always drive herself and would need to rely on taxis and public transport when her husband was not available to drive her. And she described the additional burden of her husband incurring two journeys to her hometown each day to look after a relative. She said this totalled a sum of around £30 a day.

In principle, I think it's reasonable that Lloyds would look to cover reasonable out of pocket expenses. But, within reason, I'd expect these types of costs to be evidenced through receipts or bank/credit card statements to show these costs were above and beyond usual costs.

Lloyds has said these costs would need to be passed to its loss adjuster for consideration under the claim. I'd agree this would be the appropriate first step. And from what I've seen, Mrs L hasn't provided Lloyds with appropriate evidence to support the additional costs she's described (or at least hadn't within the timeline I'm considering). So, I will leave this to Lloyds to consider in the first instance. I may also highlight to Lloyds that a potentially more straightforward solution may be to recognise a period of disturbance allowance for parts of the claim. Should there be a dispute about these costs outstanding at the point of settlement this may be a matter referred to this Service (in line with our usual rules).

Mrs L has described the AA provided by Lloyds up until the end of April as unsuitable. And she's described issues with her van being damaged, as well as issues with its boiler, and a shower and bath leaking/having issues. She also said cleanliness of the property was not up to standard, and described issues like holes in the towels. Again, I will leave this to Lloyds to answer in the first instance if it hasn't done so already.

My final decision

I am upholding this complaint. Lloyds Bank General Insurance Limited must pay Mrs L £1,100 in compensation to reflect the distress and inconvenience it has caused her for the period and matters I can consider under this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 12 February 2026.

Jack Baldry
Ombudsman