

## The complaint

Mr and Mrs A complain Lloyds Bank General Insurance Limited isn't settling a claim against their home insurance policy fairly.

Mr and Mrs A are represented, but for ease of reading I will refer to Mr and Mrs A throughout this decision. References to Lloyds includes the actions of its agents.

## What happened

The details of this complaint are well-known to both parties, so I won't repeat them here. Instead, I will focus on the reasons for my 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.

Mr and Mrs A had a home insurance policy with Lloyds. They made a claim following an escape of water. Lloyds accepted the claim. The crux of this complaint is Mr and Mrs A's dissatisfaction with the value of the cash settlement Lloyds has offered them, which they say isn't enough for them to dry and repair their property. They're also dissatisfied with the customer service they've received.

The policy sets out how Lloyds will settle a claim as follows:

*"We use other companies (who we call suppliers) to repair or replace your things, and to repair or rebuild your home. Any repair or rebuild work done by our suppliers is guaranteed for at least 12 months.*

*Where we use suppliers, we might get discounts. We will use their cost to us when settling claims.*

*What we mean is, if you ask us to settle a claim in cash instead of using a supplier, then we won't pay more than it would cost us to repair, replace an item or rebuild any part of your home."*

Lloyds agreed to complete drying and repair work using its suppliers. Mr and Mrs A opted to arrange the drying and repair work themselves, in other words they asked to settle the claim in cash instead of using a Lloyds supplier. As the policy makes clear, and as is common across similar policies, Lloyds' liability is limited to what the work would have cost it, using its suppliers.

Mr and Mrs A provided a drying quote for £1,834.76. Lloyds offered them £595.25. When challenged on the cost difference, Lloyds explained its supplier has set rates. I've seen the breakdown and I'm satisfied Lloyds could have had the works done for much less than Mr and Mrs A's quote, so I'm not going to require it to meet that quote. But I note the sum of the breakdown is £624.65. Lloyds might want to check its figures.

Mr and Mrs A provided a repair work quote for about £30,000, plus VAT. Lloyds offered them £14,921.26 including VAT. Mr and Mrs A accept their scope(s) of work matches Lloyds' scope of work. I've found the same from reviewing them. I'm satisfied from the evidence Lloyds could have had the works done for much less than Mr and Mrs A quote(s), and so in line with the policy terms, I'm not going to require Lloyds to meet their quote(s).

Mr and Mrs A argue Lloyds can do the work for less because it's suppliers will do poor repairs by cutting corners and appointing unqualified contractors who undertake work beyond their competence. I understand Mr and Mrs A want the work done properly, but they haven't presented me with compelling evidence Lloyds' suppliers won't do things properly, and in any case, Lloyds guarantee the quality of repairs.

Mr and Mrs A considered allowing Lloyds' suppliers to undertake the repairs but set various information requirements and conditions. It was fair and reasonable for Lloyds to decline to provide the information because it's not required to disclose details of its suppliers. And it was fair and reasonable for Lloyds to decline the conditions because if it's undertaking work, it should retain responsibility for oversight, safety and quality.

Mr and Mrs A are also dissatisfied with the customer service they've received, including being contacted instead of their representative. Looking at the claim journey as a whole, I find the customer service has been satisfactory overall. While Mr and Mrs A disagree with Lloyds' claim decision(s), the claim was dealt with reasonably quickly, it's been suitably responsive to correspondence and has been clear about its position(s) throughout.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr A to accept or reject my decision before 10 March 2026.

James Langford  
**Ombudsman**