

The complaint

Mr B and Miss H complain about how Lloyds Bank General Insurance Limited (“Lloyds”) handled a claim they made on their home insurance policy.

Mr B has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, as those of “Mr B” throughout this decision.

What happened

Mr B took out a home insurance policy via a comparison site in October 2024 which was underwritten by Lloyds. He says during the sales journey, he disclosed that his property was a flat which he owned within a block. In January 2025, Mr B made a claim to Lloyds after a storm damaged the block’s roof.

Lloyds considered the claim and said they would settle it with a cash settlement of £1,024.15 for internal repairs and £1,004.77 for the roof repairs. Lloyds said because Mr B had said that each flat owner in the block had an equal share of the building, their cash settlement represented one sixth of the total cost of the repair. Lloyds said as the block had a shared roof, they wouldn’t be able to appoint contractors to complete any repair to areas owned in common.

Mr B declined Lloyds’s cash settlement offer and raised a complaint. He said Lloyds should arrange their own contractors to complete the full roof repair. And he set out that his policy should cover the entire roof, not just his share as he hadn’t been told the cover was limited in this way when he purchased the policy.

Lloyds considered the complaint but didn’t uphold it. They said the policy didn’t provide cover for two properties Mr B owns so they could complete the repairs to the rest of the roof. And they maintained that they and their agents had managed the claim appropriately. Mr B remained unhappy with Lloyds’s response to his complaint – so, he brought it to this Service.

While the complaint was at this Service being considered, Lloyds reviewed their position again and made a proactive offer. They said they would reassess the settlement for the internal works, as well as carry out further checks about whether any block policy cover existed. And they offered to pay £200 compensation for any inconvenience caused to Mr B.

Mr B did not accept Lloyds’s proactive offer and asked for an Investigator to consider the complaint. An investigator then looked at what had happened but didn’t recommend that Lloyds needed to take any further action. She said Mr B’s policy wording set out that it covered damage to Mr B’s own property; but this didn’t extend beyond his proportionate share of the building. So, she felt that their cash settlement offer to pay one sixth of the roof repair costs was fair in the circumstances. The Investigator also concluded that Lloyds’s offer to re-assess the settlement amount for the internal works along with £200 compensation was fair in the circumstances.

Lloyds said they had no further submissions to make but Mr B didn't agree with the Investigator's outcome. He said Lloyds hadn't been in touch to come and check the internal work needed to conclude the claim and he wanted an Ombudsman to consider the complaint.

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 first want to acknowledge that I've intentionally summarised Mr B's complaint in a lot less detail than he has presented it. No discourtesy is meant by this, and I want to assure him that I have read and considered everything submitted in its entirety. However, as an informal dispute resolution service, this Service's role is to focus on the main issues of a complaint in order to reach a fair and reasonable outcome overall. And this means I have only focused my decision on what I consider to be the key points of this dispute.

I also want to set out what I will be looking at as part of my decision. I'm aware Mr B has brought a separate complaint against his insurance broker which this Service is also considering separately. And that means I won't be making any findings about the broker's actions in this decision. However, as both complaints arise out of the same set of background events, there will be instances where I refer to background information that overlaps the complaints.

The crux of this complaint focuses on how Lloyds proposed to settle the storm damage claim Mr B raised. There are two cash settlement offers, one for external works and one for internal works. So, I've addressed each of these in turn below for ease of reading.

External works

Mr B believes his policy should cover the full cost of repairing the roof and wants Lloyds to instruct their contractors to perform these works. But Lloyds has only paid what they consider to be his proportionate share, which is one sixth of the total cost as there are six flats in the building.

The policy provides buildings cover for Mr B's own flat and any parts of the building which is legally responsible for awful stop Mr B confirmed his flat is one of six within a block, where each owner is jointly responsible for their share of the common parts. I'm therefore satisfied that Lloyds can only insure Mr B's own interest, and they wouldn't be able to pay for repairs to areas that are jointly owned with other flat owners.

Lloyds accepted the claim and arranged for an inspection, after which they offered a cash settlement for one sixth of the total cost to repair the roof. I think that was fair and proportionate in the circumstances and represents the limit of Lloyds's liability under the policy. I've not been provided any evidence that demonstrates the offer was incorrectly calculated, and I'm not persuaded that Lloyds acted unreasonably in deciding to cash settle the claim, given the specific circumstances. Ultimately it would be open to Mr B to use his share of the payment towards joint repairs organised by all six owners.

I appreciate that Mr B would have preferred Lloyds to appoint their own contractors to repair the whole roof. But where a roof is jointly owned, an insurer can't carry out works to property they don't insure. I'm satisfied the limitation in how Lloyds settled the claim wasn't caused by any fault on their part but instead by the legal nature of the property's ownership.

Internal works

Lloyds also arrange for inspection of the internal works and made a cash settlement offer. Given the circumstances of the claim, I don't think that this was unreasonable. While Mr B has said Lloyds have not come out to complete these works, I understand this is due to Mr B declining to accept the claim settlement Lloyds put forward.

Lloyds later reconsidered the claim and confirmed they would be happy to appoint their own contractors to complete any outstanding internal works will stop and they said if the repairs had already been completed, they'd reassess the costs and, if any further payment was due, add 8% simple interest. I'm satisfied that is a fair and proportionate way to resolve the internal works, and it will be down to Mr B to confirm whether he has had the works completed, or if he wishes for Lloyds's contractors to come and complete them.

Lloyds's claim handling

I've then gone on to consider whether I think the claim was handled with reasonable care. The claim history shows Lloyd's and their agents corresponded promptly with Mr B, arranged inspection within a matter of weeks, and issued a settlement offer in February 2025. I think this was a reasonable amount of time for Lloyds to progress and propose a settlement amount for the claim.

However, I can see that there was some initial confusion over which policy terms applied, and Lloyds also confirmed they could have done more to arrange further enquiries into whether a block policy was in place to cover the external elements of the property, including the roof. While Mr B has since confirmed that he understands there is no such policy, I think Lloyds could have done slightly more here to establish this earlier on in order to remove ongoing additional frustration and inconvenience for Mr B. I can see Lloyds has made an offer of compensation of £200 in respect of any inconvenience their handling of the claim caused. So, I need to think about whether that's enough to put things right in this complaint.

I've weighed up the testimony provided by Mr B, the available evidence, and the length of time the claim took overall. While I think the claim was handled promptly overall, there were some instances where Lloyds could have been clearer in how to propose a fair way forward. So, having thought about this complaint very carefully, I'm satisfied the £200 compensation Lloyds has offered is a fair and reasonable sum that recognises the distress and inconvenience caused.

I appreciate this may not be the level of compensation Mr B had hoped for, and it may not ultimately change matters for him, given the larger concerns over the policy coverage itself. But I'm satisfied Lloyds has made a reasonable offer for the extent of the damage Mr B is legally liable for. I think a compensation award of £200 is in line with the level of compensation appropriate to the issues Lloyds is responsible for. And I'm ultimately satisfied this produces a fair and reasonable outcome in this particular complaint.

Mr B or mounted to side whether to accept Lloyds's settlement offer and, if he wishes, arrange for Lloyds's contractors to complete any outstanding internal works in line with that offer.

My final decision

For the reasons I've set out above, my final decision is that I uphold this complaint. I direct Lloyds Bank General Insurance Limited to pay £200 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Miss H to accept or reject my decision before 4 December 2025.

Stephen Howard
Ombudsman