

The complaint

Mr B and Mrs A complain about the way Lloyds Bank General Insurance Limited ("Lloyds") handled a home insurance claim they made.

Mrs A 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 "Mrs A".

What happened

Mrs A held a home insurance policy underwritten by Lloyds. She raised a claim in X after her level shower tray broke and needed to be replaced. Lloyds accepted the claim and attempted to arrange alternative accommodation while the works were completed. But this did not happen as they could not provide suitable alternative accommodation that met Mrs A's needs. Instead, Mrs A remained in the property while the works were completed.

Mrs A raised a complaint which Lloyds upheld and said they had not provided an appropriate level of service, and they paid £200 compensation to acknowledge this as well as £315 as an inconvenience allowance. But Mrs A remained unhappy with Lloyds's response to her complaint – so, she brought it to this Service.

An Investigator then looked at what had happened but didn't think Lloyds needed to do anything more than they had already. She said Lloyds could have done more to arrange viewings of alternative accommodation properties, and Mrs A had experienced a loss of expectation as well as inconvenience. But she felt the compensation and inconvenience allowance paid was enough to recognise the impact caused.

Mrs A didn't agree with the Investigator's recommendations. She explained that Lloyds's handling of the claim and failure to provide suitable alternative accommodation caused considerable distress for her family during a challenging time. And she explained that the uncertainty surrounding her claim situation had worsened the pain and swelling in her legs, causing significant discomfort.

Mrs A asked for an Ombudsman to consider the complaint – so, it's been 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 reached the same overall outcome as the Investigator, and I do not uphold this complaint. I appreciate this is not the answer Mrs A was hoping for - so I'll explain why.

I acknowledge that I've intentionally summarised Mrs A's complaint and I won't be commenting on every point raised. Instead, I've focussed on what I consider to be the key points that I need to think about in order to reach a fair and reasonable conclusion. This

reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

The main points of this complaint relate to how Lloyds handled the claim and in arranging suitable alternative accommodation. But I don't need to make an extended finding on whether Lloyds's service fell short here; because they have already agreed their service wasn't to the level Mrs A could expect during the claim. And they've awarded £200 compensation to reflect the impact their actions had as well as an inconvenience allowance of £315. So, I've focused on the overall timeline of the complaint to consider what happened, and whether I think that's enough compensation to put things right.

I think overall Lloyds handled the claim as I would expect during the early stages of the claim while evidence was being gathered and quotes were obtained, because Mrs A wanted to use her own builders. However, at the point in which alternative accommodation was required, I think this is where their service fell short. And while I can see that some of the options presented to Mrs A weren't taken up by her; I want to make it clear that I do not make any criticism of this. Clearly, she was concerned about finding a suitable property to use while her own bathroom was being repaired, which I do not fault her for.

But at the point there was no suitable accommodation, and further viewings were not booked, it appears Mrs A said that she would remain at her property and make do. And this is the reason why Lloyds ultimately awarded an inconvenience allowance and paid compensation, which the Investigator felt was fair in circumstances.

In terms of making a compensation award, it's important to note that this Service doesn't punish or fine a business. A compensation award is intended to reflect the impact a business's actions had on their customer. So, I need to think about whether Lloyds's offer is enough compensation to reflect the impact their actions had on Mrs A. I understand Mrs A has explained that the impact caused to her and her family should mean she's paid monetary compensation, but also that there should be punitive measures to hold Lloyds accountable and deter similar behaviour in the future.

In terms of making a compensation award, it may help if I explain that this Service doesn't punish or fine a business. A compensation award is intended to reflect the impact a business's actions had on their customer. So, I need to think about whether Lloyds's offer is enough compensation to reflect the impact their actions had on Mrs A. I've weighed up Mrs A's testimony, the available evidence, and the duration of the process overall. I was sorry to hear about Mrs A's health concerns, and I acknowledge the worry about alternative accommodation would have been concerning for her. It's important to note that I haven't seen any evidence that demonstrates Lloyds's actions caused Mrs A's health conditions - but I've taken into account the overall disruption she experienced in deciding a fair level of compensation.

Having considered the circumstances of the complaint, I'm satisfied the £200 compensation and inconvenience allowance of £315 represents a fair and reasonable way to resolve the complaint. I appreciate this isn't the level of compensation Mrs A had hoped for, and I understand she may feel disappointed. However, based on the issues I consider Lloyds are responsible for, I believe the compensation already paid is in line with what we'd usually award in similar circumstances.

Taking everything into account, I'm satisfied this produces a fair and reasonable outcome in this particular complaint. I recognise that this has been a difficult and stressful period for Mrs

A, and I appreciate this is not the answer she was hoping for. But I trust my decision explains why I have reached the conclusion that I have.

My final decision

For the reasons I've given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs A to accept or reject my decision before 13 December 2025.

Stephen Howard
Ombudsman