

## The complaint

Ms K complains about the way Lloyds Bank General Insurance Limited (“Lloyds”) handled a claim she made on her home insurance policy.

## What happened

Ms K held an insurance policy with Lloyds which covered her property. She contacted them to raise a claim for an escape of water in her bathroom in October 2023. Lloyds accepted the claim and appointed a contractor to carry out the necessary repairs, which were completed in April 2024.

But shortly after the works were finished, Ms K said she noticed water staining in her boiler room ceiling beneath the shower area. So, she contacted Lloyds to report that the shower appeared to be leaking again. Over the following months Ms K raised a number of concerns about the quality of the repairs and the time the claim was taking to complete. She said the shower continued to leak despite attempts to reseal it and that one of the wall tiles had been cracked during the contractor’s attendance. She also said some decorating she expected to be carried out wasn’t completed, and that she had been repeatedly passed between Lloyds and their contractors when trying to resolve the problems she had raised.

Lloyds arranged for further attendances by their contractors to investigate the reported leak, which included re-sealing the shower area on more than one occasion. But when the leak continued, Lloyds commissioned an independent inspection in March 2025. That report recorded thermal imaging, moisture readings, drain dye testing, and a review of the waste and supply pipework off the shower; but found no fault with the pipework or shower tray. Instead, the report concluded that water was leaking through the ceiling junctions between the shower tray and wall, and that the characteristics of the wall tiles and uneven wall surfaces could be contributing to moisture tracking.

Ms K was unhappy with how Lloyds had handled the claim, so she raised a complaint. She said Lloyds’s contractor had asked her to sign a disclaimer about uneven walls before completing the works and she questioned why the second contractor had not been involved in the claim sooner. She also said the boiler room ceiling had been cut while carrying out further claim-related checks but had not been made good afterwards.

Lloyds considered the complaint and upheld it in part. They said the ongoing leak wasn’t due to defective repairs, and that the remaining problems were caused by maintenance issues or pre-existing characteristics of how the bathroom was installed. They also said that they didn’t agree that any further work was required except where evidence showed it was due to the original insured peril. But they did award a total of £150 compensation for delays in handling the claim overall. Ms K remained unhappy with Lloyds’s response to her complaint – so, she brought it to this Service.

An Investigator looked at what had happened and recommended that the complaint should only be upheld in part. In respect of the ongoing leak, the Investigator said Lloyd’s independent report had carried out several tests and found no problems with the pipework or shower tray. Instead, they said the report demonstrated the leak was traced to water passing

through the sealant and potentially through small gaps in the wall tiles. And in respect to the cracked wall tile, the Investigator said while Ms K's earlier photographs showed the tiles were once intact, there was a significant time gap between those photos and the first contractor's attendance. So, they didn't feel there was enough evidence to show the crack was more likely than not caused during the insured works. The Investigator also said that while there had been delays to the claim, the compensation Lloyds had already paid was fair and reasonable in the circumstances. However, the Investigator did think Lloyd should put right the small section of the boiler room ceiling that had been cut during claim-related activity.

Ms K didn't agree with the Investigator's findings. She said she remained unhappy with the way Lloyds and their contractors had handled the claim and maintained that the cracked tile wasn't present before the first contractor carried out the works. She also felt that it was unfair to say it wasn't possible to link the crack to the contractor's works when two other tiles behind her basin had been visibly damaged by them and needed to be replaced. She outlined why she believed Lloyds and their contractors were using the type of tiles installed as an excuse to avoid responsibility for the continued leak.

Ms K also outlined how the claim process had caused her significant frustration, and she explained that she paid a £750 excess and expected the work to resolve the problem. Ms K asked for the excess to be refunded, compensation for the cracked tile she felt Lloyds's contractor had damaged, and compensation for the time, inconvenience and stress she had been caused.

Ms K 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 have decided to uphold this complaint in part. I appreciate this is not the answer Ms K was hoping for – so, I've set out my reasoning below.

I want to first start by acknowledging that I've only provided a summary of what happened here as the background of this complaint is well known to Ms K and Lloyds. This is not intended as a discourtesy; but instead reflects the informal nature of this Service. This means I will focus my decision on what I consider to be the core aspects of the complaint. However, I want to assure both parties I have read and considered everything submitted carefully.

The aspects I consider to be key to this complaint are the ongoing leak, the cracked wall tile, the boiler room hole and decorating, as well as Lloyds's overall handling of the claim and Ms K's policy excess. I've addressed each of these in turn below, for ease of reference.

#### **The ongoing leak**

Ms K reported continued water staining following the bathroom refurbishment works being completed, and Lloyds arranged several visits by their contractor to investigate this issue. This included resealing the shower area on more than one occasion. But when the leak continued, Lloyds commissioned an independent inspection in March 2025.

As part of that report, thermal imaging, moisture readings and drain-dye testing of the waste and supply pipework was undertaken. The report didn't identify any faults with the pipework

or the shower tray, instead the leak was traced to water passing through the ceiling junction between the shower tray and wall. The report concluded that the characteristics of the types of tiles that were installed could allow moisture to move through gaps in the tiles.

On balance, I'm persuaded that the evidence supports that the continued leak was not caused by poor workmanship or defect in the contractor's reinstatement of the original insured damage. The evidence I've seen supports Lloyds's position that the issue is due to characteristics of the materials and the shower seal itself. As such, because these would be considered ongoing maintenance and not something linked to the initial insured event, I don't find that it would be fair or reasonable for me to direct Lloyds to carry out further repairs, especially since they did attempt to resolve the issue by re sealing the shower more than once.

#### *The cracked wall tile*

Ms K says one of her bathroom wall tiles cracked during the contractor's visit and she's provided photos from 2020 which show the wall tile intact, and a later photograph showing the crack. I've thought carefully about this evidence, but there's a significant period between the earlier images and the contractor's attendance in 2024. Additionally, I don't think the photos fairly demonstrate when the crack occurred.

I've also taken on board Ms K's submissions that other tiles were cracked during the contractor's visit, so it's possible this tile was cracked during the same works. But I can see that the contractor's records do show that two tiles behind the basin were chipped during the works and these were replaced. On balance, I'm satisfied it's more likely than not the cracked tile would have been identified and replaced if the contractors had caused the damage. It therefore follows that I'm not satisfied there's enough evidence for me to fairly find that Lloyds's contractors cracked the wall tile, so I won't ask them to repair this.

#### *The boiler room hole and decorating*

I've considered the access hole that remains in the boiler room ceiling. Earlier photographs from the property show the ceiling had been reinstated as part of the claim. But later, during further claim related investigations, a square section was opened to check beneath the shower area.

I can see that the investigator previously outlined that they felt this should be reinstated to fairly conclude the claim. And I can see that Lloyds doesn't appear to have raised any objections around this. Regardless of exactly when the access hole was made, I'm satisfied it was created as part of the ongoing claim process. In those circumstances, I find it's fair and reasonable for me to direct Lloyds to arrange for a contractor to make good that area and redecorate it to match the surrounding ceiling.

However, in respect of Ms K's concerns that some decorating she expected to be done wasn't completed, I'm not persuaded there's any evidence that persuades me that this was agreed. There's nothing I've seen to suggest that the hallway or landing were affected by the initial damage or that any decorating was required in those areas as part of the reinstatement. As such, I find that Lloyds's redecorating should be confined to making good the hole in the boiler room ceiling only.

#### *The policy excess*

I appreciate Ms K's concerns about how the claim was dealt with, and I can see she's said she feels it would be fair for her to be refunded her policy excess of £750. But I don't find this to be fair or reasonable. In a normal claim process, a policyholder is required to pay their

excess in order for the claim to progress. This forms the portion of the claim they are contractually required to meet – and this isn't unusual or unreasonable. Ultimately, Lloyds did undertake works to make good the insured damage, so it's not unfair for Ms K to pay the portion of the claim she is required to under the policy terms.

### Lloyds's handling of the claim

I recognise how frustrating and drawn out this claim has felt for Ms K. She explained she contacted Lloyds many times and that she found it difficult being passed between the insurer and their contractors. Having reviewed the claim history, I do think Lloyds could have progressed some aspects of the claim more quickly, and the ultimate understanding of what was causing the continuing leak perhaps took longer than it could have. I can also see there were occasions when appointments didn't run smoothly, and I have no doubt that Ms K would have been frustrated by this. Lloyds already accepted their service fell short on occasion during the life of the claim and awarded £150 compensation, which I can see the Investigator felt was fair and reasonable. So, I need to decide whether I think that's enough compensation to put things right.

Overall, I've weighed up Ms K's testimony, the available evidence, and the duration of the process. And having done so, I'm in agreement that £150 already paid is a suitable sum of compensation in the circumstances of this particular complaint. While there were some service issues, I also have to recognise that the underlying issue that Ms K was complaining about wasn't due to something the policy covered. And I do think Lloyds acted fairly in trying to establish what the ongoing cause of the water leak was in appointing specialist reports.

While I appreciate this may not be the level of compensation Ms K had hoped for, and it may not ultimately change matters for her, I consider it to be in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint.

### **My final decision**

For the reasons I have given above, my final decision is that I uphold this complaint in part. I direct Lloyds Bank General Insurance Limited to:

- Repair the hole in the boiler room and redecorate it to match the surrounding ceiling.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 12 January 2026.

Stephen Howard

**Ombudsman**