

The complaint

Mrs B has complained about the service received from Lloyds Bank General Insurance Limited ('Lloyds') in relation to her buildings insurance policy, following a water main burst at her home. For the avoidance of doubt, the term 'Lloyds' includes reference to Lloyd's agents and contractors for the purposes of this decision.

What happened

Unfortunately, a water main burst at Mrs B's home in September 2024 and it couldn't be switched off, so that water poured into her home for two to three hours and caused a considerable amount of damage. Mrs B raised a claim with Lloyds as her building's insurer at the relevant time and it processed the claim. Mrs B wasn't happy with the service she received from Lloyds as there had been missed appointments and miscommunication. She also said there had been delays throughout the claims process.

Lloyds accepted that errors had been made and paid £425 in relation to two complaints made by Mrs B. Mrs B was unhappy with this response as she was still required to carry out further actions by ordering the required kitchen units herself. She therefore referred her complaint to this service.

The service's investigator partly upheld Mrs B's complaint and recommended that Lloyds increase the compensation sum to £600. She also recommended that Lloyds contact Mrs B to discuss her preferred option for the progression of the claim, and to then carry out further actions required to settle the claim without any further delay. The investigator made it clear however that he didn't think that Lloyds had acted in an unreasonable manner regarding replacement items. He appreciated the additional inconvenience to Mrs B in ordering the items directly from her preferred supplier, however he didn't consider it unreasonable to expect a customer to do this when the items are from their own chosen supplier.

Mrs B remained unhappy with the outcome of her complaint and the matter has been referred to me to make a final decision in my role as Ombudsman.

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.

The key issue for determination in this case is whether Lloyds provided a fair and reasonable service in relation to progression of Mrs B's claim and whether the compensation it had offered for its acknowledged failings was a fair reflection of the distress and inconvenience which it had caused. I don't consider that it's acted in a fair and reasonable manner in all respects, however I concur with the investigator's findings in this case. I'll explain why I've reached this decision.

In considering this complaint, I've looked carefully at the submissions of the parties as summarised below. I turn firstly to Mrs B's submissions. She'd explained the distressing background to this matter and said that when the incident occurred, she'd telephoned her

emergency insurers, but they couldn't attend until the next day. Mrs B and her husband were then without water, but they managed to fix this themselves. Mrs B then telephoned Lloyds to make a claim, and its agents attended to assess the home and make recommendations.

A contractor was then appointed and were due to attend in December 2024. Mrs B took the day off work, but no-one arrived. She telephoned the contractor, but they said that the relevant person was away. Attendance was rearranged for January 2025 although all appointments were made by Mrs B. The contractor failed to remove the items that had been recommended. Mrs B rang the contractor *'who basically said I was lying and he had removed everything'* and she then phoned Lloyds to explain what had happened. A further contractor was appointed as a result and assessed the required works which meant another day off for Mrs B. She informed the contractors of her kitchen and floor suppliers, and she was told this wouldn't be a problem and that they could order the items.

Mrs B said that the contractors then arrived and removed the kitchen cupboards but left them in her living room, even though they were covered in black mould, so she rang to have them removed. She thought that the service she'd received had been disgraceful and that it was taking far too long to resolve the matter. Mrs B then received notification from the contractors that they were unable to order the items as the guarantee would be in their name, although Mrs B didn't think that this mattered. She said that she'd explained to Lloyds on many occasions that she was unable to order these items due to personal circumstances, which she described. She didn't think it fair and reasonable that it expected her to drive to an outlet 40 minutes from her home, price the items, let Lloyds know the cost, then go back to order the items. However, Mrs B said that had she been told at the beginning that she would need to order the units, then she would have opted to appoint her own contractor.

Finally, Mrs B felt that it was left to her to run the process and that Lloyds had very little involvement, and she had to do all the chasing. She said that she made her second complaint as the claim still wasn't sorted out and that her house *'still looks like a building site'*, so she wasn't able to have her grandchildren over. She said that the only part of the claim that had been sorted out was the part she and her husband had sorted themselves. They said the new carpet that had been laid in the hall was getting ruined as there were concrete floors downstairs and *'all the dirt and mess from the other rooms are going all over it.'* Mrs B said that the matter was taking a toll on her mental health as it had gone on for so long and both she and her husband were vulnerable.

I now turn to Lloyd's response to Mrs B's complaint. It recognised that its service had been poor and paid total compensation in the sum of £425. This was in relation to the first contractor which Lloyd's had engaged to carry out the strip-out work necessary for drying Mrs B's home. It recognised that during this process, the contractor caused additional damage and didn't complete the strip-out work as required, and this delayed the drying process. It said that it was due to these issues that it appointed new contractors and that the drying process was completed in February 2025.

It noted that since this date, there had been little progress on the claim. It also recognised that Mrs B had found it necessary to chase for updates due to a lack of communication from Lloyds. It apologised for the distress caused and said that the service Mrs B had received *'fell short of the standard we strive to deliver'*. Lloyds said that its contractors had been asked to provide a revised schedule of works for its approval. It also stated that the contractors would contact Mrs B *'soon to arrange a date for the reinstatement works to begin'*. Lloyds apologised that it had been unable to source replacement items from Mrs B's chosen suppliers. It added that it had never been its intention to cause any inconvenience or added stress. It said that this was an element of Mrs B's claim which it had been unable to fulfil and that the options were for Mrs B to order replacement items herself, or to choose alternative materials which its suppliers were able to source on Mrs B's behalf.

I now turn to my reasons for partly upholding Mrs B's complaint on the same basis as the service's investigator. I've carefully considered all available information and evidence in this matter. Firstly, I would state that I sympathise with Mrs B in relation to the water main burst. This would have been a shocking and distressing event. Unfortunately, the insurance process and the planning for reinstatement inevitably involves some disruption and requires the input of agents and contractors. Completion of the schedule of works can also be time-consuming as a property will need to be dried, stripped out and then units will need to be replaced or repaired as appropriate, and this all needs to be carried out as a co-operative effort between the insurer and consumer.

The service recognises that some distress, inconvenience and disruption is unfortunately an inevitable consequence of an event such as a water main burst. However, what we expect to see is that a customer receives diligent, efficient and timely support from their insurer to ensure that they are returned to the pre-incident position as soon as possible. We don't expect the insurer to add unnecessary distress and inconvenience. In this case Lloyds has accepted that it hadn't progressed the claim as it would have wished.

I've noted the following service errors. Firstly, Mrs B had a poor experience with the first contractor, and Mrs B had to take time off work to attend when the contractor failed to attend and then accused Mrs B of lying. This led to appointment of a second firm and no doubt caused delays in ensuring the necessary drying of the property. Mouldy items had also been left in the living room, and this would have caused upset. Mrs B's remaining concern was that the contractor had initially stated that it could order replacement items from a particular supplier but later stated this wasn't possible. The reasoning hasn't been adequately explained, however. I also note that Mrs B was initially led to believe that Lloyds could fulfil this request. Nevertheless, if the customer specifies a particular supplier, I don't consider it unreasonable to expect the customer to order items directly from the preferred supplier.

In summary, I'm satisfied that there has, as identified by Mrs B, been poor communication and lack of updates as well as unnecessary delays by Lloyds. I don't consider that £425 compensation was adequate for the service failures identified and I consider that Lloyds must now pay an additional £175 in compensation to Mrs B, to bring the total compensation up to £600. This recognises that Lloyd's failings happened in the context of customer vulnerabilities. This also reflects the service's guidance in relation to compensation and relatively high to recognise the fact that there has been more than one failure by Lloyds which has led to unnecessary inconvenience in relation to reinstating Mrs B's property.

There has clearly been deadlock between Mrs B and Lloyds as to the way forward in relation to replacement of certain items. I recognise that Lloyds has provided a number of options, and I consider that it's tried to provide different ways to assist Mrs B in these difficult circumstances. Mrs B has made it clear that she doesn't wish to order replacement items herself and Lloyds may wish to reconsider this option, even if this means that Mrs B doesn't benefit from a guarantee in relation to the relevant units. It's also important for Mrs B to engage co-operatively in the discussions which are now expected to take place in order to achieve a fair and reasonable solution. This is in light of the fact that I'm persuaded that Lloyds could supply from its own network and fit materials to a similar standard as the ones Mrs B wishes to order.

I appreciate that this decision may come as a disappointment to Mrs B. I also appreciate that by having Lloyd's contractors to complete the works, she was hoping to alleviate the pressure on herself and her husband. It's now expected that the parties will act swiftly and in co-operation to finally resolve this long-standing matter.

My final decision

For the reasons given above, I partly uphold Mr B's complaint and require Lloyds Bank General Insurance Limited to do the following in response to her complaint; -

- Pay additional compensation of £175 to make a total of £600.
- Make urgent contact with Mrs B to confirm and agree a fair and reasonable option for the progression of this claim.
- To then carry out all remaining actions and any work required to settle the claim without any further delay.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 25 December 2025.

Claire Jones
Ombudsman