

The complaint

Mr S complains about how Lloyds Bank General Insurance Limited ("Lloyds") settled and recorded a claim he made on his home insurance policy.

What happened

Mr S made a claim under his insurance policy with Lloyds in June 2024 for accidental damage to his wooden flooring. Lloyds accepted the claim and instructed a contractor to carry out the repairs. The contractor attended Mr S's property in August 2024 and later returned in October 2024 to carry out further work that Mr S said they had missed.

When Mr S was looking to renew his insurance policy, he learned that Lloyds had paid a total of £920 for the two visits, despite him having received a quote beforehand for less than half of this sum. Mr S raised a complaint to Lloyds and said he believed they had wrongly accepted an inflated charge and failed to verify what work was completed. He said that this had caused the claim to be recorded at a higher value than it should have been which in turn would affect his renewal premiums.

Lloyds considered the complaint but only upheld it in part. They said they understood all areas of damage to the flooring were completed during the first visit and they had seen a signed document from Mr S to say that he was happy with the works. But Lloyds said Mr S had reported two further areas of damage had been found and so the contractors returned in October 2024 and completed further repairs. Lloyds said this is why they had paid two separate invoices for works carried out. They also outlined that Mr S's renewal premiums were correct, but they did award £125 compensation for any confusion caused.

Mr S remained unhappy with Lloyds' response to his complaint – so, he brought it to this Service. An Investigator looked at what had happened but didn't think the complaint should be upheld. He said he was satisfied the contractor had visited Mr S's property twice to complete repairs and so he thought it was reasonable for Lloyds to pay for two separate invoices. The Investigator also thought the renewal premium appeared fair, as it reflected general rating factors rather than the specific value of the claim itself.

Mr S did not agree with the Investigator's findings and submitted further evidence to be considered. He said he had obtained additional information via a data subject access ("DSAR") request from Lloyds and had noted that an inspection document included a declaration to confirm he was satisfied with the work that was not signed by him. Mr S said he wasn't at home when the contractor finished the works, and he believed the initials on the form weren't his. He also pointed out the same document recorded that he was "not on site" which he said supported his account that he wasn't present. Mr S said that Lloyds shouldn't have relied on the document to conclude the first job was completed properly.

Mr S maintained that he emailed the contractor after the repairs were completed to report that areas of the flooring had been missed and needed to be fixed; not that there was additional damage that formed part of a new claim. He said that repair work should have been done under the guarantee rather than charged as a new repair and said the total claim cost had been wrongly recorded, which in turn, affected his renewal premium. Mr S asked

for the complaint to be considered by an Ombudsman – and I issued a provisional decision in which I said the following:

"I've considered the original evidence provided by both parties when the complaint was brought to this Service, as well as Mr S's additional submissions. Where the evidence is incomplete, inconclusive or contradictory, I'm required to reach my conclusions on the balance of probabilities; that is, what I think is more likely than not to have happened based on the available evidence and the wider surrounding circumstances.

Lloyd says they relied on the contractor's job sheet from the first visit to Mr S's property which included a statement signed by Mr S confirming he was happy with the completed work. But Mr S's testimony is that he wasn't home when the contractor finished the works on that date, and the initials on the form are not his, and he's provided a copy of his driving license as a comparison. The same document also records "not on site", which Mr S interprets as "not on site".

Having reviewed this evidence, I'm satisfied it's more likely than not Mr S didn't sign this document. In addition to it recording Mr S was "not on site", the signature it bears does not resemble the signature on later documents that Mr S does admit to signing, or to his drivers licence. When compared to the first inspection job sheet, and the job sheet from the second visit in October (that Mr S confirms he signed) there is a clear alignment of the signatures which persuades me, on balance, that Mr S did not sign the job sheet from the first set of repairs.

Mr S's testimony is that he contacted the contractor to request they return to fix works they had missed; not that there was additional work to add on. I've seen a copy of the e-mail Mr S sent to the contractor the day after the first set of works were completed, and I'm satisfied this supports his version of events that the job wasn't completed, rather than adding works on, as Lloyds set out in their final response to the complaint. As such, I'm persuaded the available evidence supports that the contractor's return visit in October 2024 wasn't to repair new damage but to correct work that should have been completed the first time around.

Lloyds hasn't provided any clear records showing the second visit related to a new or unrelated issue, and they also didn't charge Mr S a second policy excess for a new claim. Because Lloyds paid a second invoice for the same claim, Lloyds has effectively allowed the claim cost to be inflated beyond the original quoted figure. I find that this is inconsistent with how I would expect an insurer to validate contractor payments – and it follows that I am persuaded the claim has been recorded incorrectly and that this inaccuracy does have the potential to affect Mr S's future insurance premiums.

However, at this stage, I am unsure as to whether Mr S renewed his policy with Lloyds or whether he approached other insurers and took out cover with them instead. Mr S hasn't provided any evidence from other insurers to demonstrate the increased claim cost caused a material increase to his premiums. And I can see Lloyds said Mr S's renewal premium reflected general pricing factors, not the specific value of the claim. That may be true; but given the claim has been recorded incorrectly, Lloyds will need to correct the sum recorded and then check whether this information affected Mr S's renewal.

What was the impact

I can see Lloyds final response offered £125 for any confusion and delays caused. While I think that was a fair acknowledgement of poor communication, the final response doesn't address the underlying problem Mr S raised a complaint about. The investigation focused on explaining the contractor's actions rather than verifying whether those actions were reasonable. In my view, Lloyds could have considered Mr S's testimony about the damage being part of the original job and not new damage before concluding their investigation of the complaint. However, I also need to consider that Mr S has only recently outlined that he didn't sign off on the works at the time, so this isn't something Lloyds could have addressed earlier. So, while I agree awarding compensation is appropriate to recognise the impact Lloyds's actions would have had on Mr S, I don't think it would be fair for me to increase this beyond what has already been paid.

A compensation award is intended to reflect the impact a business's actions had on their customer. That means I need to look at how Mr S says he was affected, but also at the length of time overall as well as considering this Service's approach to making compensation awards. I've weighed up Mr S's testimony, the available evidence, and the duration of the process. And having done so, I'm satisfied the compensation award, in addition to the other remedies I have outlined, is a fair and reasonable way to conclude this complaint."

I concluded that I intended to uphold the complaint and I would direct Lloyds to correct their records to show the correct value of the claim costs, review whether the incorrect claim value had any effect on Mr S's renewal premium; and if it did, refund any overpayment with 8% simple interest per year from the date of payment to the date they refund it. I also said I would direct Lloyds to pay Mr S a total of £125 compensation for the distress and inconvenience caused by the handling of the claim.

I invited both parties to provide a response to my provisional findings. Lloyds replied and said they accept my provisional findings. But Mr S said he didn't agree and outlined the following points:

- Lloyds had affected the integrity of his honesty by not upholding the complaint.
- Lloyds did not properly investigate the complaint and identify the mis-matched signatures.
- If he hadn't requested copies of the documents there may have been a different outcome.
- If he'd done anything fraudulent in the claim he could have been refused insurance going forward or even reported to the police.

As both parties have now had an opportunity to provide a response, I will set out my final decision below.

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 have reached the same outcome I did in my provisional findings. I appreciate Mr S will be disappointed by this – so, I'll explain why.

The crux of this complaint is that the claim was recorded with an inflated value because Lloyds accepted and paid a second invoice. As I explained in my provisional decision, I'm satisfied the second visit in October 2024 was more likely than not to correct work that should have been completed during the first visit, and not to repair new damage.

Because of this, Lloyds shouldn't have treated the contractor's second visit as a new and separate chargeable repair. Their decision to pay a second invoice meant the total cost of the claim was recorded as £920 rather than the original quoted cost. While Mr S hasn't provided any evidence from other insurers to demonstrate the increased claim cost caused a material increase to his premiums, I do recognise that it would have the potential to affect Mr S's future insurance premiums if not corrected. Therefore, I consider the most meaningful remedy is to ensure Lloyds correctly record the claim costs to prevent any future disadvantage to Mr S, which addresses the main problem Mr S brought to this Service.

In response to my provisional decision, Mr S outlined why he was distressed to discover that the contractor had signed off on the works, and the document contained a signature that wasn't his. I want to make it clear that I understand why this discovery would have been concerning for him and I do not minimise this. However, I also need to take into account when Mr S became aware of this issue when considering the impact. Mr S's testimony is that he didn't know about the signature during the claim or during the complaint investigation. And until he raised this as an issue following the Investigator's view, Lloyds had no reason to think the signature wasn't his.

So, while the document wasn't reliable evidence that Mr S was satisfied with the first repair, I don't think it automatically follows that Lloyds acted unreasonably in relying on it at the time. Mr S did not question the document when it was raised and so, in those circumstances, I don't think this demonstrates that Lloyds provided poor service. The distress Mr S describes only arose after the obtained further information and that means the level of distress he experienced was not something that occurred throughout the handling of the claim; but rather was a short-lived reaction to discovering new information. And while Mr S has submitted hypothetical situations about how Lloyds's actions could have impacted him; my role is not to consider what *could* have happened but instead look at putting things right in the specific circumstances of the complaint in front of me.

Having weighed everything carefully, I'm satisfied that the award is fair, and my directions on how to put things right remain the reasonable and proportionate way to resolve this complaint.

Putting things right

To put things right I direct Lloyds to:

- Correct their records to show the correct value of the claim costs.
- Review whether the incorrect claim value had any effect on Mr S's renewal premium. If it did, they should refund any overpayment with 8% simple interest per year from the date of payment to the date they refund it.

My final decision

For the reasons I have given, my final decision is that I uphold this complaint. I direct Lloyds Bank General Insurance Limited to resolve the complaint in the way I have set out in the "Putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 December 2025.

Stephen Howard

Ombudsman