

The complaint

Ms M has complained about the way Society of Lloyd's trading as Lloyd's of London dealt with a claim she made under her car insurance policy.

What happened

On 27 January 2025 Ms M was involved in an incident with a third party vehicle.

Ms M complained that the insurer Lloyd's caused undue delays in arranging a replacement car. She said it didn't call her back when promised and she didn't think she should have to pay the excess to the repairing garage. Ms M said the third party admitted fault.

Lloyd's offered Ms M £100 compensation for the distress and inconvenience it caused for a delay in recording the incident. This didn't happen until 28 January 2025. It said the broker was responsible for issues related to an additional product Ms M held for guaranteed hire car cover in the event of an incident.

Ms M remained unhappy and asked us to look at her complaint. She brought a separate complaint about the broker which this service has investigated.

One of our Investigators thought Lloyd's should increase the compensation by a further £100, so to £200 in total. He thought Lloyd's had contributed to the delays in relation to arranging a guaranteed hire car for Ms M. He couldn't find that Lloyd's had explained what would happen in relation to the excess payment which had caused confusion. And the Investigator thought Lloyd's had failed to arrange a callback by a manager as Ms M had requested.

Ms M accepted the Investigator's findings. Lloyd's disagrees and wants an ombudsman to decide. In summary it says it is not responsible for any delays or confusion in relation to the provision of a product for guaranteed hire car that it isn't the underwriter for. It could not offer more information to Ms M, other than to refer her back to the broker which sold the additional product.

Lloyd's says the third party didn't admit liability at the outset. On 18 March 2025 it wrote to Ms M to confirm it was still waiting for the third party insurer to admit liability. So it was therefore clear that the excess was payable.

Although it didn't arrange for a manager to call Ms M back, on the same day Ms M called Lloyd's back and an agent explained she would need to speak to the broker about her concerns. This is because Ms M had asked for a copy of a document that related to the guaranteed hire car product. So Lloyd's said it was not necessary for a manager to call Ms M back as it had resolved the issue during the second call that day.

Lloyd's says it has done enough to resolve the complaint it upholds – which is that it caused a delay of one day in recording the incident.

So Lloyd's wanted an ombudsman to decide.

I issued a provisional decision on 26 November 2025. I didn't intend to uphold the complaint as I thought Lloyd's had done enough to put things right for a small delay.

Lloyd's accepted my provisional decision. Ms M hasn't replied. So the case has been passed back to me for a final decision.

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.

As I haven't received any new comments, my final decision is on the same lines as my provisional decision.

Ms M bought her car insurance policy through a broker. Lloyd's is the insurer for the contract of insurance including dealing with the claim.

However, Ms M bought an additional product called 'Guaranteed Hire Replacement Vehicle Policy' (GHRV). Lloyd's does not underwrite this product. It is underwritten by a separate insurer.

The wording provided by the broker to Ms M says in the event of a claim under the GHRV, Ms M will need to contact the administrator or the broker.

I can understand Ms M's frustration as she felt she was being passed between the broker and Lloyd's when trying to arrange for a replacement car. But I cannot fault Lloyd's for referring Ms M back to the broker here. I don't think it acted unreasonably as it was not the underwriter for this additional cover.

There isn't any evidence to show the third party admitted liability to Lloyd's at the outset. Lloyd's has provided a copy of its communication to the third party insurer in February and March 2025 requesting confirmation of its admission of liability.

However, I cannot see where Lloyd's explained to Ms M that she would need to pay the excess when she reported the claim or when it authorised repairs on 30 January 2025. In March 2025 the approved repairer asked Ms M to pay the excess as her car had been repaired. Ms M complained that she understood she should not have to pay the excess as she said the third party had admitted liability. From the information provided, this is the first time Lloyd's told Ms M she needed to pay the excess.

The excess is the first part of a claim which is payable by a customer – unless a third party accepts liability from the outset and it is clear to the insurer. Sometimes an insurer will waive the excess in these circumstances. Sometimes an insurer will instead reimburse the excess when it has recovered the outlay cost from the third party insurer. In line with Ms M's policy – and in line with industry practice - neither of these approaches are wrong.

While the information Lloyd's gave Ms M in March 2025 was correct, I think it should have clearly explained the claims process to Ms M at the outset. This means Ms M's expectations would have been managed when the time came to collect her car following repair.

Lloyd's wasn't able to take details of Ms M's claim when she called on 27 January 2025. This caused a delay of one day which Lloyd's accepts.

I've taken into account the fact that when Ms M made her claim, this flagged a discrepancy in information the broker had provided following a change of address. There doesn't seem to

be any dispute that the broker is responsible for the discrepancy. This meant Lloyd's needed to check if the discrepancy meant a change in risk before it could deal with Ms M's claim. This took a couple of days. I don't find this to be unreasonable as Lloyd's needed to check if the change in risk had an impact on its acceptance of Ms M's claim.

Overall it took four working days for Lloyds to arrange for an approved repair (AR) to repair Ms M's car.

Lloyd's policy says it will offer a basic courtesy car for the duration of repairs. It has provided the AR's notes which show a record of calling Ms M on 31 January 2025. The notes read that Ms M didn't need a courtesy car, but would let the AR know if she did in the future.

I appreciate that Ms M denies the AR told her this. But from the evidence available - on balance - I find it more likely that it did. This would be consistent with Ms M's communication with Lloyd's and the broker in relation to her separate claim for a GHRV.

I understand Ms M found the experience of dealing with Lloyd's stressful and she needed a replacement car to continue working.

Ms M has provided evidence by way of a bank statement and payslips to support a claim for financial loss of around £700. She says she lost pay due to not being able to travel to work and had to borrow money.

From the evidence provided, they do not show a loss of wages for the period of time from 28 January 2025 to 31 January 2025. The date of the transaction Ms M has highlighted to show she had to borrow money is over a month later. So it doesn't show a causal link between Lloyd's handling of the claim and a financial loss to Ms M. In any event, for the reasons I've explained, I don't think any delay in providing the requested GHRV was something Lloyd's contributed to.

I can understand Ms M felt she was being passed back and forth between different businesses at an already stressful time. My decision relates to the actions of Lloyd's in its handling of the claim.

I find that Lloyd's caused an avoidable delay of one day. And I think it could have been clearer to Ms M earlier in explaining that the excess was payable. But I don't find Lloyd's caused delays outside of this in its handling of Ms M's claim. I think it managed Ms M's expectations when she called back on 30 January 2025 as her query related to a product separate to her insurance contract with it.

So I find that the award of compensation Lloyd's offered of £100 for a small delay and not being clearer about the excess sooner is fair. It is within the range of what we would ask an insurer to pay in similar circumstances. This means I'm not asking Lloyd's to pay any more.

My final decision

My final decision is that I find Society of Lloyd's trading as Lloyd's of London has done enough to resolve Ms M's complaint. If it hasn't already done so, it should pay Ms M £100 compensation for the distress and inconvenience caused.

Society of Lloyd's trading as Lloyd's of London must pay the compensation within 28 days of the date on which we tell it Ms M accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

If Society of Lloyd's trading as Lloyd's of London considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Ms M how much it's taken off. It should also give Ms M a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 10 January 2026.

Geraldine Newbold
Ombudsman