

## **The complaint**

Mr B has complained that Lloyds Bank General Insurance Limited trading as Lloyds handled a claim he made under his home insurance policy.

Any reference to Lloyds in this decision includes its appointed agents.

## **What happened**

Mr B made a complaint to Lloyds after water entered his property due to a blocked shared drain. Damage restoration services were called in to carry out an assessment and sanitisation works but Mr B soon became dissatisfied with the service he had received.

In particular, he said that contractors had lied twice about being late for appointments, making excuses about their van having broken down when this was untrue, and that they hadn't taken electricity readings or moisture readings, but had only measured the floor. This meant no one knew if the room had dried out or not, and it still smelled of damp, which was concerning.

He also said the team was meant to take away flood-damaged articles that were beyond repair but wasn't supposed to take items associated with the car in the garage, as these weren't covered by his policy and were to be left behind. However, these were taken away and disposed of. This caused Mr B inconvenience as he couldn't use the roof rack on a holiday he intended to go on. And he needed to call others out for electric meter readings and moisture tests.

In its response to his complaint, Lloyds acknowledged that the service provided by its restoration agents fell below the standard Mr B was entitled to expect. It apologised and said it would pay £270 for the disposal of the roof racks, and £300 compensation in recognition of the fact that a poor service had been provided.

Mr B didn't accept Lloyds' response to the complaint. Although the claim had been settled, he thought a more reasonable figure for compensation would be around £500 for the trouble he'd experienced. So he referred his complaint to the Financial Ombudsman Service.

Our Investigator considered the complaint, but didn't think it should be upheld. She concluded that Lloyds had offered a reasonable level of compensation for the impact of the poor service Mr B had received. But Mr B felt that the Investigator's view contained inaccuracies, and he didn't agree with it. So the complaint has now been referred to me for an Ombudsman's 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 this is an informal service, I'm not going to respond here to every point raised or comment on every piece of evidence Mr B and Lloyds have provided. Instead, I've focused

on those I consider to be key or central to the issue in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I'm not upholding this complaint. I'll explain why.

The insurance industry regulator, the Financial Conduct Authority (FCA), has set out rules and guidance about how insurers should handle claims. These are contained in the 'Insurance: Conduct of Business Sourcebook' (ICOBS). ICOBS 8.1 says an insurer must handle claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a claim. It should also settle claims promptly once settlement terms are agreed.

ICOBS 2.5 also says businesses must act honestly, fairly and professionally in accordance with the best interests of its customer. I've kept this in mind while considering this complaint together with what I consider to be fair and reasonable in all the circumstances.

I've looked at the timeline of the complaint, based on evidence provided by both Mr B and by Lloyds. I can see that after Mr B made the claim, Lloyds took the expected, reasonable steps to arrange site visits. However, the first team sent to the property drove the wrong way up the one-way street when attending. On the second visit, the same team failed to take the necessary readings. The second team arrived late on two occasions and provided inconsistent and misleading explanations for their lateness, including conflicting accounts of vehicle breakdowns. The teams didn't provide arrival times, meaning Mr B had to continually chase for updates, and they erroneously took car-related items and failed to return Mr B's roof rack, for which he was later compensated.

Based on everything Mr B has said, which Lloyds hasn't disputed, it's clear that the service he received should've been better and the failure of this rests with Lloyds, as the personnel sent to Mr B's home were appointed by Lloyds as its agents. I understand Lloyds removed the restoration company from Mr B's claim and sent its own field consultant, who was already involved with the claim, to visit instead. I think this was reasonable action to take.

Mr B has asked why Lloyds appointed a restoration company in the first place, if its own field consultant was able to do the required work – but he's also questioned whether its own consultant was qualified to make the on site assessments concerning issues like damp. I've thought about what Mr B has said, and I don't think it was unreasonable for Lloyds to take the action it did. It's usual practice for insurers to, in the first instance, outsource issues regarding site assessments and sanitation to companies which are meant to be experts at handling these sorts of claims.

But as Mr B raised concerns about the professionalism of the company involved, I think it was fair for Lloyds to remove them from the claim. The outstanding tasks were then completed by its own field consultant, rather than Lloyds appointing a different company. I can see that in Lloyds' final response, dated 22 August 2025, it said:

*"Your appointed Field Consultant, revisited your property with a damp meter. Moisture readings confirmed mould contamination and damage to plasterboard and units. A revised scope of works was agreed, including replacement of the affected kitchen units, plasterboard, and skirting. We've received a quote for the flooring works; however, as the cost appeared higher than expected, we've requested a second opinion*

*We have received an updated estimate which includes sanding, screeding, and repainting of the garage floor at £1,140. As we've already reimbursed £597.12 for the garage floor paint, we've deducted this amount, bringing the total payable to £9,626.88."*

Based on this, I don't see any reason to doubt the ability of Lloyds' own field consultant to

take the readings she needed to take, to confirm that the scope of works needed to be revised. I understand the claim has now been settled to Mr B's satisfaction and the only outstanding issue is the compensation for distress and inconvenience. This further supports the fact that Lloyds didn't act unreasonably when it asked its own field consultant to take over and visit the property to ensure the claim was properly resolved.

All things considered, I think it's right that Lloyds has apologised to Mr B for the numerous failings of its agents. And I've considered the impact of these issues on Mr B, and the length of time Mr B was inconvenienced – which was a matter of weeks.

Based on everything I've seen, I'm satisfied that the £300 compensation offered by Lloyds is fair and reasonable in the circumstances. I appreciate Mr B mentioned £500 as a more reasonable figure, but I've considered what's happened in line with our usual approach to cases like these, and in line with our published guidance which is available to view on our website.

An award of £300, in my view, fairly reflects the impact of the repeated errors which have required reasonable extra effort to sort out. We would usually award compensation of this amount where the insurer's actions have caused distress and inconvenience over a period of weeks, which is what I can see happened here. Mr B has understandably been frustrated by the amount of time he's had to spend chasing Lloyds and dealing with the various problems I've mentioned. And while he may not agree with the amount of compensation offered, I'm satisfied it's in line with what I would've awarded in this case, had no offer been made.

### **My final decision**

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 B to accept or reject my decision before 23 March 2026.

Ifrah Malik  
**Ombudsman**