

## The complaint

The estate of Mrs R has complained about Lloyds Bank General Insurance Limited which provides the insurance for the estate's property. The complaint has been made regarding an on-going subsidence claim and Lloyds' handling of that matter. The complaint has been brought on the estate's behalf by its executors. Mr R, as an executor, has been the main correspondent on the claim and complaint.

## What happened

Dating back to 2019 a claim was made on the policy for subsidence. The matter did not progress as would have been liked and various complaints were made to Lloyds and referred to this Service. I set this brief history out here for context as prior issues won't be considered as part of this decision.

Lloyds has used a technical agent to manage and progress the subsidence claim – referred to by my Ombudsman colleague on the estate's prior complaint as Company A. I'll maintain that reference name for ease of continuity.

Subsequent to a complaint final response letter (FRL), issued by Lloyds on 12 September 2024, Mr R was seeking more satisfactory answers from Lloyds about how it would progress the claim. Having initially suggested the claim would be cash settled based on its rates (unless Mr R provided alternative costings), Lloyds had suggested a surveyor should be appointed and wanted Mr R to agree to that. Mr R wasn't opposed to the idea of such an appointment but had questions about things like whether Lloyds would then make staged payments – which he felt would be fair – or if it would seek to settle fully and finally upfront in one payment.

On 7 and 25 November 2024 and 18 December 2024 Lloyds issued three further FRLs. In these FRLs Lloyds put forwards two specialists (surveyors or engineers) Mr R might like to appoint to manage the claim going forwards. It accepted such an expert would need to be appropriately experienced in managing claims of this type and could assist Mr R as a "day to day contact on claim related matters". Also that the specialist would be able to appoint others as felt necessary – such as regarding design work or required statutory approvals. It agreed it would cover fees for experts such as architects or costs associated with things like planning approval. Lloyds said the surveyor could scope the necessary work and seek costs from builders for the reinstatement, which could then be put to it for authorisation.

After Mr R brought the complaint to this Service, before it was assessed by an Investigator, a further final response was issued by Lloyds on 18 May 2025. This further discussed the provision of a specialist and progression of the claim.

Mr R was not persuaded that Lloyds' answers really satisfied his concerns. He was worried that using one of its nominated specialists – which it would then pay for, likely presented a conflict of interest. He said he was concerned also about how much involvement Company A would continue to have and that Company A might unduly influence the specialist. Mr R pointed out that settling a claim in this type of manner was not allowed for by the policy. He

said he was concerned about liability for the work passing to him instead of remaining with Lloyds as it would if it undertook the work.

Our Investigator spoke to Lloyds in order to better share some of Mr R's claim concerns with it. In discussion with Lloyds, our Investigator clarified that:

- Lloyds was agreeable to Mr R appointing his own chosen, independent specialist who would act for him and help him navigate the claim – he could still select from the two it had presented if he wanted to. But, whichever specialist was chosen, it would want to have a chance to validate its brief and fee scale.
- It explained that the specialist would not be bound to anything Company A had found previously – rather the specialist would scope the necessary work, obtain costs and put it all to Lloyds for its approval.
- Lloyds agreed that staged payments could be arranged if that was Mr R's preference (but he might need to bear in mind any preferences of his chosen specialist).
- It acknowledged that it understood why Mr R felt an upfront cash settlement was not appropriate in these circumstances – but said that if he changed his mind it would still be prepared to offer that.

Having reviewed everything, including taking into account of Lloyd's clarification, our Investigator was minded to think Lloyds' offer to progress the claim was fair and reasonable. He felt an appointment like that would be the best way of smoothing the claim, allowing it to progress towards conclusion. So he explained that to both parties and confirmed he would not be asking Lloyds to do anything more.

Mr R said he was somewhat pleased with the content of our Investigator's view. But said Lloyds should be funding a loss assessor and solicitor to assist with the claim – the policy does offer cover for professional fees. He reiterated the failings he felt Lloyds, including Company A had made – including that the scope it had presented was flawed and incomplete and a recommendation to pay 10 to 15% on top to cover professional fees had been ignored. He said things like this had never been answered by Lloyds. He also asked that compensation was considered for the impact he had experienced due to Lloyds' actions. Mr R said that not recognising his upset in the important role of executor meant that the outcomes of this Service are fundamentally limited.

### **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.

I can see that this has been a difficult time for Mr R. I trust he'll accept from the detail I've set out in this decision that I've taken all his concerns into account – although as there are many, I've not been able to set out everything here. I can understand why Mr R has been so concerned – he has an important role which he clearly takes seriously and wants to fulfil to the best of his ability. And navigating a complex claim like this is difficult even for people who are in the best of health – which I know Mr R is not.

Like our Investigator I think Lloyds has likely made some mistakes along the way – such as initially offering a cash settlement. In the circumstances of this claim, whilst I accept that Lloyds was looking to move things on, the initial offer made was not a reasonable way of trying to conclude the claim.

In terms of other errors, I note Mr R has said the scope Lloyds put forward was flawed, and it refused to make reasonable offers such as to pay a percentage of the scoped sum for professional fees. I know he feels Lloyds has never really satisfactorily answered his concerns in that respect. But I might suggest to Mr R, in this case, that he may be looking

too closely at the failures/perceived failures, such that his intent focus has stopped him from seeing that Lloyds has answered those concerns. Its answer came in the form of it agreeing to set aside things like the disputed scope and move things on in a different way, by the appointment of a specialist.

Mr R is correct. The policy does not specifically set out that an insurer may settle a claim by agreeing this type of appointment, or by entering into an arrangement to make payments direct to a third-party. But sometimes, in order to ensure a fair and reasonable outcome for a claim, an insurer has to – and is expected by this Service to – act outside of the strict terms of the policy. For example, in this instance, Mr R has clearly lost faith in Company A. So, if Lloyds were to continue using Company A to progress the reinstatement, the claim would likely never conclude. And Mr R has also indicated that if Lloyds were to appoint a specialist – rather than him appointing them – that he wouldn't be able to trust that specialist either.

Lloyds has a duty to ensure the claim was progressed to a conclusion. It was up to it to find a reasonable way to do that. A way that was fair to its policyholder – the estate which Mr R acts on behalf of. Agreeing to Mr R appointing a specialist who can act for him, offer advice and conduct the day to day running of the claim is, in my view, in the circumstances here, the best chance of Lloyds meeting its obligations to the estate. I can't see any other way which would enable this complex and long running claim to progress to conclusion.

As part of the specialist's role will be to advise Mr R and conduct the claim, there would be no need or reason for Lloyds to have to also pay for a loss assessor or a solicitor. This Service wouldn't usually expect such costs to be covered as part of a claim. Not unless a solicitor, for example, was needed to complete something like planning applications necessary as a part of the insured works. As Mr R has rightly indicated, fees such as that would be covered by the policy.

I know Mr R wants to move this claim on. I'm satisfied that Lloyds wants that too – and that it is committed to trying to do so in a way which is fair and reasonable to the estate. I trust that Mr R will now be able to see that and understand that the offer Lloyds has made does seek to do just that.

I can confirm that I'm satisfied that Lloyds offer, including its clarified in my background above, provides a fair and reasonable resolution to the complaint Mr R has made. I hope Mr R will now feel able to put forward a specialist for Lloyds to approve and that the claim will move on.

I note Mr R's view on compensation. I accept that his role of executor is an important one. But none of that changes the fact that this Service can only consider the impact of an insurer's failures on, what our rules refer to as, the eligible complainant. Which here – in the circumstances of the complaint Mr R has brought on behalf of the estate – is the estate. So whilst I can see Mr R has been affected by the course of this claim, I can't take that into account or make any award of compensation against Lloyds in that respect.

### **My final decision**

For the reasons set out above, I'm not making any award against Lloyds Bank General Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs R to accept or reject my decision before 17 February 2026.

Fiona Robinson

**Ombudsman**