

The complaint

Mr L and Mrs L complain about Lloyds Bank General Insurance Limited (“LBGI”) and the handling of the claim they made on their home insurance policy, after their property was damaged by a flood.

Mr L has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, by either Mr L or Mrs L as “Mr L” throughout the decision where appropriate.

What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mr L and Mrs L held a home insurance policy, underwritten by LBGI and arranged by a broker, who I’ll refer to as “S”, when their property was damaged by a flood. So, they contacted LBGI to make a claim.

But Mr L was unhappy with the way LBGI handled, and settled, his claim. So, he raised a complaint. In summary, Mr L was unhappy that LBGI declined to cover the tanking he felt was necessary to prevent future flooding damage, explaining why he felt he should qualify under the Build Back Better (“BBB”) scheme. He was also unhappy with the strip out level of the plastering, LBGI’s refusal to renew his policy and the service he received overall, including delays experienced during the claim process.

LBGI responded to the complaint and upheld it in part. They accepted there had been service failures and paid Mr L and Mrs L a total of £579 compensation to recognise this. But they felt their decision to decline the cost of the repairs related to the tanking was a fair one, explaining Mr L didn’t qualify for the BBB scheme. And they set out why they thought the strip out of the plastering their contractors completed was fair, as well as explaining the renewal of his policy was the responsibility of S who they said had accepted they had made an error. In light of this, they confirmed that Mr L’s renewal had been backdated and issued to him for him to accept. Mr L remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn’t uphold it, over two separate outcomes. Both parties have had sight of these, so I won’t be recounting them in detail. But to summarise, they set out why they felt the compensatory award paid by LBGI fairly recognised the service failures LBGI were responsible for. And they set out why they thought LBGI were fair to decline covering the cost of the tanking works, and increased plastering costs Mr L incurred.

Finally, they explained S were responsible for the renewal and they were satisfied LBGI weren’t responsible for any errors that occurred during this process, noting a renewal premium was backdated, and offered to Mr L. So, they didn’t recommend LBGI do anything more.

Mr L didn’t agree, providing extensive commentary setting out why. This included, and is not limited to, his belief that LBGI had failed to explain why they didn’t qualify for the BBB scheme. And he maintained the preventive works were needed to ensure a lasting and

effective repair, which he felt LBGI were obliged to provide. He maintained his concern about the plastering and while he noted LBGI did offer a backdated renewal, he maintained LBGI were unfair to not offer this in the first place. As Mr L didn't agree, the complaint has been passed to me for a 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.

Having done so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant, in line with our services informal approach. So, if I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I want to set out what I've been able to consider, and how. Our service operates under a set of rules put in place by the industry regulator, the Financial Conduct Authority, which sets out what our service can and can't consider. These rules explain our service is only able to consider issues that are raised with a business first, with them being given the appropriate time to respond within their own complaint process.

So, this decision is only able to consider the issues raised to LBGI that were addressed within LBGI's complaint response that led to Mr L's referral to our service and crucially, the events that occurred before it. So, while I recognise Mr L's claim continued after the date this response was issued, any events that occurred after it and any issues Mr L holds about these haven't impacted this decision.

And when considering the events I can consider, I must be clear it's not my role, or the role of our service, to act as a replacement claim handler or to re-underwrite the claim that was made. Instead, it is my role to consider the decisions LBGI have taken, including the service they provided when taking these and where necessary, any actions they have taken to recognise any failings, to decide whether I'm satisfied LBGI have acted fairly and reasonably. When doing so, I've carefully considered both parties testimony and the supporting evidence provided.

In this situation, I'm satisfied LBGI have, and I'll explain why. I've separated my decision into headings focusing on the key elements of Mr L's complaint for ease of reading.

LBGI's refusal to cover the costs of preventative work

Mr L has set out clearly why he feels the costs he incurred for the installation of tanking at his property, which he feels was necessary to ensure similar damage doesn't occur again in the event of a future flood, should be covered by LBGI. And he's pointed directly to the BBB scheme that he feels he should qualify for, that this payment should be made under.

And while I recognise why Mr L feels he should qualify for the BBB scheme, LBGI have provided me with evidence that satisfies me that he didn't qualify for this scheme, based on the insurance policy he held.

Crucially, Mr L purchased his insurance policy through S. And LBGI have confirmed S, and the policies they arrange, don't participate in the BBB scheme. They also confirmed that if Mr L was eligible for this scheme, it would be shown within Mr L's policy schedule and having reviewed this document, I'm satisfied there is no endorsement or entitlement listed for BBB

eligibility.

So, while I recognise Mr L seeks a detailed explanation about why his policy was sold without this entitlement, this isn't something I'm able to provide as any criteria for this scheme, or decision to participate within it, is commercially sensitive and part of their commercial decision making process, which ultimately falls under the remit of the industry regulator to comment upon.

But that being said, I must consider the fact that the policy LBGi underwrote was designed to cover the costs needed to place Mr L's property back in the same condition it was before the insured event occurred. And, that this repair should be lasting and effective.

Mr L has set out why he feels the tanking is required to meet this test. But I must be clear that preventative work such as tanking is essentially a cost that isn't covered under the scope of the policy LBGi provided. So, for me to direct LBGi to cover the costs of this work, Mr L would need to provide a compelling reason that justifies why LBGi should incur this expense and go beyond the terms of the policy they provide.

I've reviewed the Flood Resilience Report ("FRR") completed at the request of Mr L's local council. Within it, it details the risk of another flood occurring due to overtopping of the nearby body of water as "medium", with the risk of surface water flooding stated as "low". So, I can understand why Mr L would remain concerned about a future flooding event occurring.

But I must also consider this against the FRR also acknowledging the flood itself was the first time an event of this nature had occurred in the 12 years Mr L had lived at the property.

And that while Mr L has also obtained a report from a business quoting for the tanking/flood resilience work, I must consider the fact they were quoting for the work and so, I can't be satisfied the opinion they have provided within it is independent. And even if this wasn't the case, I note that while they recognised that future flooding couldn't be ruled out due to expectation of more heavy and persistent rain, they didn't provide a tangible likelihood of this risk.

So, while I recognise there was a medium risk overtopping may occur in the future, when this is considered against the fact that there had only been one flood in a significant period of time, ultimately I haven't been persuaded that this report, and risk classification, in itself is enough to satisfy me that there was a compelling reason that meant LBGi acted unfairly when taking the decision not to cover the costs of the tanking at the point of their complaint response. Or, that they should be directed to incur an expense that goes beyond the terms of the policy they provided.

I'm satisfied that on the balance of probability, it is most likely that the repairs would be lasting and effective over the short to medium term, considering a flood had only occurred once during an extend period, while the property was always in close proximity to the body of water through changing weather conditions. And ultimately, it's not LBGi's responsibility as the policy insurer to incur the cost of longer-term flood resilience measures.

I recognise Mr L has provided more recent information available online which talks to ongoing concerns about the body of water, and the risks it poses. While I have reviewed this information, I must also reiterate that it appears the information it contains relates to ongoing mitigation work and risk, which fall after the point of LBGi's complaint response. If Mr L wishes to provide this to LBGi for their consideration, I'd expect them to consider it appropriately to ensure they remain satisfied that their approach is a reasonable one.

I also want to reassure Mr L I've considered his belief that LBGi declined to offer a policy

initially, due to his property being “high risk”. And he feels that as LBGI classified his risk in this way, it follows that they should look to cover the cost of preventative works in order for any repair to be lasting and effective and mitigate this.

I must be clear that LBGI’s own definition of risk relates to the risk to them as an insurer providing cover. And considering LBGI had accepted, and handled, a high value claim brought by Mr L, I can understand why they would classify Mr L’s situation in this way. But crucially, I’m not satisfied this is evidence that Mr L’s property was at a high risk of future floods as an insurer themselves don’t have the expertise to provide this classification. And I’m satisfied it’s fair to rely on the classification of risk provided in the FRR when reaching the decision I have.

So, while I recognise Mr L is unlikely to agree with the above, I’ve not been persuaded by the evidence available to me, that this decision can consider, that LBGI were unfair to refuse cover for the costs Mr L incurred installing the tanking and any other preventative measures at his property. So, I’m not directing them to do anything more for this aspect of the complaint.

Plastering

I note Mr L is unhappy with the height at which his plaster was removed, following the flood damage, setting out why he feels it ought to have been higher than it was. And he’s spoken to advice he’s received from contractors which states a standard height of plaster removal would usually be between 1-1.2m, while LBGI’s agent only removed the plaster up to a height of 600mm, which he feels is unfair.

I must reiterate it’s not my role to provide a technical opinion on how the plaster should have been removed, and to what level. Instead, I’ve considered the actions LBGI and their agents have taken, based on the evidence they had to rely upon.

In this situation, I can see that following the plaster being removed up to a height of 600mm, a drying certificate was issued by an industry specialist stating *“the above property has been dried to the levels of moisture existing prior to the recent damage referred to herein”*.

So, based on this and in line with our services approach, I’m satisfied LBGI were fair to rely on this opinion that the removal of the plaster to the level it had been was appropriate to ensure the property was dried. And I’m satisfied that LBGI were then fair to only agree to cover the costs to replace the plaster removed as part of this process.

I note Mr L disagrees with this. And he provided an invoice which detailed the actual plastering reinstatement undertaken, which cost more than LBGI allowed a provision for. But I’m satisfied LBGI considered this invoice appropriately as I would expect. And they also provided detailed reasoning for their refusal to consider further costs, explaining the 1-1.2m recommendation was used by damp proofing companies designed to address moisture caused by rising damp, which was a different cause to damage resulting from a flood.

Further to this, I’ve seen in an email from Mr L to LBGI that he confirmed additional plasterwork had been removed to aide in the preventative tanking work, which I’ve already explained above I’m satisfied was a preventative measure, rather than work needed to ensure repairs to the actual damage caused was lasting and effective. So, I can’t say that the additional costs relate to work required to repair the damage caused by the insured event.

And when LBGI explained why they wouldn't look to cover this extra work, remaining satisfied their settlement based on their own contractor's scope was fair, they did offer Mr L the chance for their own contractor to complete the repairs but ultimately, Mr L chose to proceed with a repair through his own contractor.

So, in line with our services approach, I'm satisfied LBGI were fair when only paying Mr L a settlement equivalent to what it would have cost them for their contractor to complete the work, based on the repairs to plaster removed as part of the successful drying process. Because of this, I'm not directing LBGI to do anything more here.

I recognise Mr L is unlikely to agree with the above. And I want to recognise his commentary that referred to other decisions made by our service on this issue. But crucially, each complaint our service considers is decided on its own merits, and the individual situation of that claim and complaint. So, my decision hasn't been influenced by other decisions our service may have made, as each circumstance will be different.

Policy renewal

I note Mr L is unhappy that LBGI failed to initially provide a renewal premium. And while he accepts a backdated renewal was put forward at a later date, he maintains that LBGI acted unfairly initially which resulted in him obtaining another insurance policy at a much higher premium elsewhere.

But having considered this complaint point, I'm unable to agree that LBGI were responsible for the renewal issue. It's key to note here that Mr L purchased his insurance policy using a broker, S. So, S were ultimately responsible for the arrangement of his policy underwritten by LBGI, including its renewal.

Having reviewed the evidence available to me, I'm satisfied that LBGI reasonably considered Mr L's concerns about the renewal, and the fact S confirmed LBGI weren't willing to provide cover initially. And having done so, I'm satisfied S confirmed to LBGI that the policy was automatically stopped from being renewed due to a high value claim being outstanding. I've also seen S confirmed that they were aware in situations such as this, they had the ability and were expected to contact LBGI directly to seek a manual quote. And that ultimately, this process wasn't followed.

Once LBGI received confirmation of this, I'm satisfied LBGI directed S to take the necessary action to ensure a backdated renewal offer was put forward to Mr L. And it was ultimately Mr L's own decision as that point whether to accept it.

I recognise Mr L may not agree with the above. And I want to reassure him I've considered his own testimony that he attempted to obtain a quote for a policy with LBGI directly around the same time but was unsuccessful. Crucially, I've seen no evidence that shows this, which includes the information Mr L included to generate the quote, and LBGI's decline following this. But even if I was to accept Mr L's testimony regarding this point, the generation of a new quote, as a new customer, is a separate process to the renewal of a policy.

And considering Mr L had an outstanding flood claim of a high value at the time, I'm satisfied this would have likely impacted LBGI's underwriting decision and this in itself doesn't alter the fact S remained responsible for the renewal.

So, because of the above, I'm satisfied LBGI acted fairly and reasonably considering the circumstances they were able to control regarding the policy and its renewal. Mr L is able to

raise a complaint with S about this issue separately should he wish to do so.

Overall service including communication and delays

I note LBGi have accepted in their complaint response that there were avoidable delays and other service failings during the claim, up to the point they issued their complaint response. And they made a payment of £579 to recognise the impact this had on Mr L and Mrs L. So, I don't intend to discuss the merits of this complaint point in detail, as it's no longer in dispute. But for completeness, I want to provide a summary of my own conclusions.

Having reviewed the evidence available to me, I'm satisfied there were avoidable delays in LBGi approving a scope of works, following the initial site visit, and arranging for Mr L's contents to be removed so strip out works could begin. I'm also satisfied that throughout the claim, there were issues with payments being made to him and that LBGi's contactor's failed to communicate with him promptly and effectively, as our service would expect. I don't doubt the stress and frustration this would have caused Mr L and Mrs L, especially when the extent of the damage to their home and the worry this would have created is considered.

But having considered LBGi's compensatory payment, I'm satisfied it's a fair one that falls in line with our services approach and what I would have directed, had it not already been made. I'm satisfied it fairly reflects the fact that the claim could have been progressed more efficiently to ensure the property was dry sooner than it was. And, that it fairly reflects the added frustration Mr L and Mrs L would have felt when they had to chase for updates, sometimes without response, with regards to the claim and receipt of payments.

But I'm satisfied it also fairly reflects that even if the property had been dry sooner, there would most likely still have been a significant delay in reinstatement work starting due to delays caused by Mr L seeking guidance, and quotes, on the preventative works he felt needed to be completed first. And that for the duration of the delays, Mr L and Mrs L were either paid an appropriate disturbance allowance or were in suitable alternative accommodation, which mitigated the impact to them to some extent. So, I'm not directing LBGi to increase the compensatory payment they have already paid.

I want to reiterate that this decision is made based on the time period this decision can consider. Should Mr L have concerns about the service he received after the date LBGi's complaint response was issued, which may include the claim progression after this point or how LBGi and their agents communicated with them, he would need to raise these with LBGi first for them to handle without their own complaint process. Our service would be able to consider these matters separately under a new complaint reference, should this be required.

My final decision

For the reasons outlined above, I don't uphold Mr L and Mrs L's complaint about Lloyds Bank General Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 28 April 2026.

Josh Haskey
Ombudsman