

The complaint

Ms B complains that Lloyds Bank General Insurance Limited trading as MBNA (“Lloyds”) unfairly declined a claim she made on her home insurance policy.

What happened

In September 2024, Ms B made a claim on her insurance policy with Lloyds following flooding to her basement after a period of heavy rain. Ms B also made a claim for accidental damage when items were damaged while she was moving house.

Lloyds accepted the claim and appointed its loss adjuster to validate the claim. Lloyds didn’t cover the cost of all the damage caused by the flood. The flooring was damaged as a result of the ingress of water but Lloyds declined the damage to the skirting boards and the ceiling.

Lloyds said Ms B’s Home Buyer report that she obtained prior to purchasing the property showed there was damage to the roof that would need attention and would need further maintenance to ensure the roof was watertight. The report also noted the ventilation to the cellar was inadequate. Since the report was dated around six weeks before Ms B made the claim Lloyds concluded the main cause of the damage to the roof was wear and tear. Lloyds also declined the damage to the skirting boards that Ms B claimed for. It said the boards weren’t damaged by the water ingress and therefore isn’t covered by the terms of the policy.

Part of Ms B’s claim was for damage caused to some of her furniture when she moved house. Ms B says the items were damaged by the removal company when her items were moved from storage to her new home. Ms B claimed for damage to her fridge freezer, side table, mirror, and coffee table. Lloyds say Ms B also wanted to add damage to her speaker, sofa, and a chair to the claim. Lloyds say since Ms B couldn’t show she used a professional removal company to transport her contents while moving home, there was no cover under the terms of the policy.

Ms B wasn’t happy with the service she received from Lloyds so she complained. Lloyds said the claim had been declined in line with the terms of the policy. Lloyds recognised there had been poor communication and service during the claim process, and so awarded Ms B £250 to reflect the distress and inconvenience caused. Ms B didn’t agree so referred her complaint to the Financial Ombudsman Service.

Our Investigator considered the evidence but didn’t uphold the complaint. He said the claim had been declined fairly since Ms B hadn’t been able to show she had used a professional removal company. He said that while there was damage to the roof, and water ingress, there was evidence to suggest it was due to wear and tear. The Investigator agreed there had been issues with the service provided by Lloyds and thought the £250 compensation already offered for this was fair. So he didn’t recommend Lloyds do anything further.

Ms B didn’t agree. She said the whole claim had been distressing and matters still hadn’t been resolved. She said her insurance policy was supposed to help with damage to her home but Lloyds have declined the claim. Ms B didn’t agree and asked for a final decision from an ombudsman.

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, whilst I appreciate it will come as a disappointment to Ms B, I've reached the same overall outcome as our Investigator.

I should explain that I won't be repeating the entirety of the complaint history here in my decision, or commenting on every point raised. Instead, I've focussed on what I consider to be the key points that I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service, and our key function; to resolve disputes quickly, and with minimum formality. However I want to assure both parties I've read and considered everything provided.

Cover for skirting boards

I have considered the evidence carefully. Part of that evidence included claim notes and photographs of the skirting boards. The skirting boards were confirmed as dry and not damaged by the ingress of water at the initial visit in early October. Lloyds also said its likely there was rising damp so Ms B should contact a damp specialist.

Ms B says the contractor who attended her property said the skirting boards would be replaced. The nature of a claim is that things can change as it progresses, which is what's happened here. Lloyds is only responsible for the costs of repairing Ms B's home within the terms of the policy. And since any damage to the skirting boards weren't the result of an insured peril, Lloyds hasn't acted unfairly in declining the claim.

Removal company

Ms B has made a claim for items damaged by the removal company when she moved house. The items include a side cabinet table, chest of drawers, coffee table, living room mirror, and a fridge.

Some of the items claimed for were disposed of before Lloyds had an opportunity to assess them – such as the chest of drawers. The remaining items were inspected but Lloyds declined the claim.

I have checked the terms and conditions of the policy says, "*We'll pay claims where your contents are stolen or damaged.... whilst moving home. Your contents must be moved within the United Kingdom by a professional removal firm*".

Ms B says she checked an online trade review website for a removal company and chose someone with good reviews; she did all she could to ensure the removal company was professional. I don't doubt what Ms B says here. But there is no evidence the removal company were 'professional' for the purposes of the claim. Ms B provided evidence of the transaction that took place confirming the move but that doesn't show the company's contact details, website, VAT number if VAT is being charged, or company registration number.

Since Lloyds weren't able to confirm the company used was a professional removal company it declined the claim. I'm satisfied Lloyds acted within the terms of the policy and I think its decision to decline the claim was fair in the circumstances.

Roof and water ingress

Not all damage a home sustains is covered by a home insurance policy. In order for there to be a valid claim under the policy, the damage must have occurred as a result of an 'insured peril'. These 'perils', or events, are specified in every policy and include reasons such as theft, fire, and storm damage. If the damage being claimed for can't be said to be as a result of one of these 'perils', then there can be no valid claim from the start.

Ms B provided a copy of the Homebuyer report she commissioned before buying the property. The inspection and report are dated August 2024 so I'm satisfied it is reliable, contemporaneous evidence. In the summary of condition ratings it lists roof coverings as an item that requires urgent attention. The rainwater pipes and gutters are listed as elements that require attention but are not serious or urgent.

The report says, "*in the absence of waterproof lining below, these defects are likely to result in damp penetration and, therefore, the repairs are considered to be serious and urgent.*"

Ms B reported damage to her landing ceiling caused by water ingress from the roof. Her policy doesn't cover gradual damage, and Lloyds says the ceiling damage was caused by a long-term issue rather than a sudden, insured event.

The Home Buyer report identifies existing problems with the roof. Based on this, I'm satisfied the ceiling damage is more likely to have resulted from those underlying defects, rather than from a single, one-off incident. In other words, the damage could only have occurred because the roof already had issues.

Lloyds relied on the evidence available at the time when making its decision, and I think its conclusion was reasonable. So I'm not upholding this part of the complaint.

Discrimination

It's important to note that we cannot make a legal finding that the Equality Act 2010 ('the Act') has been breached or that a business's actions are tantamount to race discrimination – the Act makes clear that this is exclusively a matter for the courts. However, as part of our investigation we do take relevant law, best practice, and industry guidance into account so we can decide whether we think a customer has been treated fairly and reasonably. Given what Ms B has said, I think the Act is relevant law here.

Ms B says she feels Lloyds has discriminated against her because of the way the loss adjuster spoke to her and questioned her. I am sorry she feels that way. I've not seen anything to suggest Lloyds has treated her unfairly or done anything differently in how the claim was handled.

Distress and inconvenience

A claim of this nature was bound to be both disruptive and stressful for Ms B, especially since she had only recently moved into the property. I want to be clear that I'm not saying Ms B hasn't been through a distressing and worrying time. I empathise with the situation she's found herself in. I know my decision will be disappointing and leaves her in a difficult position.

Having considered the detail of what went wrong and the award paid by Lloyds, I think £250 is fair and reasonable in the circumstances, and in line with our published guidelines for compensation in similar cases, so I won't be asking Lloyds to pay more. I appreciate this will come as a disappointment to Ms B as it isn't the outcome she had hoped for. But I hope she'll understand from what I've said why I formed this view.

My final decision

For the reasons set out above I don't uphold Ms B's complaint about Lloyds Bank General Insurance Limited trading as MBNA.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 5 March 2026.

Kiran Clair
Ombudsman