

The complaint

Miss R has complained about how Lloyds Bank General Insurance Limited handled a claim she made on her home insurance policy.

What happened

In November 2024, Miss R's boiler leaked and water came through her kitchen ceiling spotlights from the bathroom above. She made a claim on her insurance policy with Lloyds. Shortly after, the kitchen ceiling partially collapsed. Her claim included damage to the bathroom, kitchen, electrics, flooring, back door and various personal items.

Lloyds accepted the claim and agreed to repair much of the damage to Miss R's kitchen and bathroom. They declined to pay for damage to a bath panel and the back door as they didn't think it was related to the insured event. And they opted to make a partial payment for damage to the alarm related to the escape of water because there was pre-existing damage which they didn't take responsibility for.

Miss R made several complaints over the life of the claim about claim delays; how she was treated by Lloyds' agents; the state her home was left in by Lloyds' agents; the amount Lloyds were paying for her contents; and Lloyds declining to cover parts of the claim. Lloyds responded to these complaints in various letters throughout 2025. They accepted there had been some failings while handling the claim and offered compensation for this totalling £825. In their last letter, Lloyds said their agents would no longer attend Miss R's property and they would instead pay Miss R cash amounts to have the remaining work done herself.

When Miss R referred her complaint to this Service, the works still hadn't been completed. After we contacted Lloyds, they reviewed what happened again and acknowledged further failings by them and their agents. They made an offer to try to move the claim forward but said Miss R will need to repay amounts they had previously cash settled for (around £770) – and that their agents would only agree to return to the property if Miss R was placed in alternative accommodation. They also agreed to increase compensation to a total of £1,500.

An Investigator thought Lloyds' offer was fair. Miss R agreed with how Lloyds needed to put things right, but didn't think she needed to repay anything to Lloyds for the claim to move forward. The complaint couldn't be resolved, so it has been passed to me to decide.

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.

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The parties agree Miss R's claim has been going on for a long time. And she has made numerous complaints about how Lloyds have handled it and considerable submissions in bringing her complaint to this Service. Ours is an informal service, and I'm not going to

comment on every point Miss R or Lloyds have made or on every piece of evidence they sent us. Instead, I've focused on what I consider to be key or central to the complaint. But I'd like to reassure both parties I have considered everything submitted.

Lloyds have acknowledged they didn't handle the claim as they should have, and I'll comment on how they handled things so far later in this decision. But my main concern is how to move forward so works can be completed for Miss R. Lloyds have made an offer to try to resolve the claim's deadlock, so I've thought about whether their offer is fair and reasonable in the circumstances. And I will address each part of the offer in turn. At the point the complaint came to me, this is what they agreed to do:

The outstanding repairs

- Clean and deodorise the property in order to complete the remaining works.
- Complete repairs of claim related damage to Miss R's kitchen and bathroom.
- Replace the bath panel and repair the burglar alarm system (whether or not the damage is claim related).
- Only agree to send out their agents to complete these works if Miss R agrees to be put into alternative accommodation beforehand, not come to the property when the work is being done, and cease any threats of media involvement or legal action.
- Only agree to begin the works once they've been reimbursed for the amounts they already cash settled.

To consider

- Inspect the door to consider whether the damage to it is claim related.
- Consider the contents costs if Miss R can provide further evidence of her rugs or other contents being worth more than Lloyds' estimates.

To pay

- Pay a food allowance at £20 per day from the day the cooker wasn't working until when she had a working cooker – plus 8% interest on any outstanding amounts from the dates they are for until this amount is paid.
- Reimburse the cost to replace Miss R's cooker – upon proof of purchase.

Compensation

- Pay a total of £1,500 compensation (including the £825 already paid).

I'm pleased to see Lloyds have agreed to clean the property and complete the works. But Lloyds have said they have paid £440.99 for some of the building works plus £336 for the alarm. And that Miss R will need to pay this back before they'll agree to continue with the work. I understand why Lloyds wouldn't want to indemnify Miss R twice, and I think, in the circumstances, it would be fair for Lloyds to complete the works in order to guarantee a long-lasting repair rather than cash settle elements of the work. But considering there are outstanding amounts Lloyds have agreed to pay for food allowance and compensation, I

think a fair way to resolve this would be to deduct £776.99 from those amounts.

Lloyds have said they'll only complete the works if Miss R agrees to their agent's terms. These were that she must be placed in alternative accommodation and that there won't be further threats of media involvement and abusive behaviour. Having read through the file, I understand there were likely numerous instances of difficulty arranging times for works to be done and differences or altercations between Miss R and Lloyds' agents. And I can understand why Lloyds thinks alternative accommodation would be a safer environment for Miss R and her son. So, I don't think it's unreasonable for Lloyds to pay for appropriate alternative accommodation – and for them to refuse to continue with the work until Miss R isn't at the worksite.

Miss R said Lloyds' builders caused damage to her fridge/freezer which led to a loss of food. And that the builders also damaged her cooker which meant she couldn't prepare meals for her and her son. I haven't been presented with compelling evidence the fridge/freezer developed a fault because of Lloyds' actions. But Lloyds agreed to contribute about £160 towards a new fridge/freezer and pay her £100 for spoilt food. They later paid her a further £349 based on what they thought it would cost to replace Miss R's fridge. Considering what they've paid to date, I find Lloyds have been reasonable in covering Miss R's costs for loss of food and her fridge/freezer.

Lloyds had agreed to pay for costs to replace Miss R's cooker early in the claim, but acknowledge it had been likely damaged again – this time by a falling shelf. Lloyds said the cooker was likely under warranty but accepted responsibility for any damage and agreed to pay for the replacement or repair upon proof of any costs – which I also find fair and reasonable in the circumstances.

Lloyds have accepted that Miss R was without adequate cooking facilities and will reimburse her for reasonable food costs at £20 per day from the start of the claim for the periods Miss R was without cooking facilities, plus interest. I haven't seen anything to persuade me Miss R has spent more than this amount over and above her usual food costs, so I don't think this offer is unreasonable.

Lloyds have now agreed to repair the bath panel and burglar alarm, so I don't need to make a finding on whether these should be covered under the policy. Lloyds and Miss R have disagreed on whether the damage to her door was caused by the escape of water. Lloyds have now said that they don't have any photos or confirmation as to what was wrong with the door, so they're going to arrange another inspection to determine the cause of the damage. I think this is a reasonable way forward – and as part of the outcome, I'm directing them to do that if they haven't already.

Miss R made a list of items that were damaged during the escape of water. These included kitchen items, rugs, blinds, planters, a dog bed, and other miscellaneous items. Lloyds have paid a settlement of £1,000 for Miss R's contents claim and have agreed to review this if Miss R shows them photos of like-for-like rugs so the higher costs can be substantiated. I appreciate Miss R thinks she should be paid more than £1,000 and that the rugs, blind, and dog bed especially are worth more, but it's up to Miss R to substantiate her claim. I don't think Lloyds' approach here is unreasonable nor do I think the £1,000 is unreasonable in the circumstances – and I won't be directing them to increase this.

Is Lloyds' offer of compensation fair?

The escape of water happened in November 2024, the drying of Miss R's home wasn't completed until April 2025, and the repair works hadn't been completed at the time the complaint was passed to me. Given the type and length of the claim and Miss R's situation

at home, it was unfortunately inevitable that the claim would cause some distress and inconvenience. I've thought about how much was unnecessary and unavoidable – and whether it was caused by Lloyds.

From the notes I've seen, Lloyds' agents often found it difficult to arrange times to attend Miss R's property as she sometimes didn't reply to their requests or wasn't home at times that were agreed. I appreciate there may have been reasons for this, including times Miss R was unwell or had to go to appointments for her son, but I don't hold Lloyds responsible for these delays. There were other times when Lloyds' agents refused to attend the property unreasonably – they had said, for example, Miss R's property was too dirty to attend on occasion, but Lloyds have subsequently agreed this was unsubstantiated.

As I understand it, Miss R was offered alternative accommodation at the beginning of the claim. Had she agreed to this, I think it's likely the work will have been completed much faster. But she told Lloyds that due to her son's vulnerabilities, moving out wouldn't be an option. I can't hold Lloyds fully responsible as Miss R refused alternative accommodation, but I think they could have been clearer about why she needed to move out while the works were going ahead, and they've recognised since they should have broached it again with her during the claim. So, I think Lloyds are responsible for some of Miss R's distress here.

Lloyds have acknowledged that, although they tried to support Miss R at times, they didn't allow for her vulnerabilities. From what I've seen, Lloyds expected Miss R to remove items from areas before starting works when they should have considered her vulnerabilities and helped her do this; they were, at times, unclear about what aspects of the claim they were going to cover; and they haven't always considered Miss R's vulnerabilities when at her home. Lloyds have increased their offer of compensation to a total of £1,500. Taking the full circumstances of what happened into account, I think this is fair – and I'm directing Lloyds to pay the outstanding £675.

My final decision

For the reasons above, I uphold this complaint and direct Lloyds Bank General Insurance Limited to:

- Attend the property to clean and deodorise it and undertake the remaining repairs. To facilitate this, Lloyds must arrange alternative accommodation for Miss R and her son at their expense. If Miss R declines to move into the alternative accommodation or to not interfere with the cleaning/repairs, Lloyds can revert to insisting on paying a cash settlement for any remaining works. Repairs to Miss R's alarm and bath panel are to be included in the outstanding work.
- Pay a food allowance at £20 per day from the day the first time her cooker wasn't working until Miss R had use of adequate cooking facilities (less amount(s) already paid) – plus simple interest at 8% a year from the date of loss to the date of settlement.
- Pay Miss R for the cost to replace or repair her cooker upon proof of these costs – plus simple interest at 8% a year from the date of loss to the date of settlement.
- Have an inspection to Miss R's door carried out by a qualified expert – and repair any damage if the expert decides the damage is related to the escape of water.
- Pay £675 compensation.

Lloyds Bank General Insurance Limited may deduct £776.99 from the amounts I'm directing them to pay due to parts they previously cash settled.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 19 May 2026.

Andrew Wakatsuki-Robinson
Ombudsman