

complaint

Mr and Mrs W complain about the way their home insurance claim for damage caused by an escape of water was handled by Society of Lloyd's.

background

Upon returning home from a two-week holiday on November 2014, Mr and Mrs W discovered an escape of water had caused considerable damage to both their building and contents. The kitchen ceiling had come down damaging the units and worktops and there was damage to most other rooms in the house. Mr and Mrs W contacted Lloyd's immediately. The claim was accepted and a loss adjuster appointed to validate it and handle the reinstatement.

The loss adjuster visiting the property three days after the claim was reported and arranged for the ceiling to be tested for the presence of asbestos and (when it was discovered to be present) for the ceiling to be encapsulated. Owing to the presence of asbestos and the extent of the damage, Lloyd's arranged for Mr and Mrs W to be moved into alternative accommodation (AA). The first AA was too noisy so Lloyd's found Mr and Mrs W somewhere else to go in the new year.

Repairs and reinstatement began at the property on 19 January 2015. The kitchen needed to be replaced entirely but the first kitchen design was rejected. Mr and Mrs W met with an external kitchen contractor and worked on a new design for the kitchen. When that was costed out, it was found it exceeded Lloyd's liability under the policy. Mr and Mrs W said they would decorate the property themselves and offset the extra savings against the cost of the kitchen.

There were delays from the external kitchen supplier which were outside Lloyd's control. Lloyd's had to wait for the kitchen to be delivered in order to be able to continue with the repairs. There were also problems agreeing to the replacement kitchen appliances but as soon as Mr and Mrs W chose the ones they wanted, and Lloyd's approved their choice, the appliances were ordered. There was a problem with the oven selected being discontinued and a new one having to be chosen and ordered which caused a delay. Lloyd's offered to fit Mr and Mrs W's old oven until the new one arrived or supply them with a microwave whilst awaiting the arrival of the new oven. Mr and Mrs W declined either option and said they couldn't move home – so their AA should be extended – until the new oven was installed.

Lloyd's said it couldn't extend AA any longer as the lack of the new oven didn't make the home uninhabitable.

There was a delay by Lloyd's in initially ordering the replacement flooring meaning it couldn't be completed on time. The loss adjuster failed to appreciate the extent of kitchen contents stored in a bedroom meaning the carpet in that room wasn't able to be fitted as quickly as it should've been.

Mr and Mrs W then said to Lloyd's that a kitchen cupboard door had been damaged and their alarm wasn't working. Lloyd's arranged for these issues to be sorted on 1 May 2015. An electrician discovered that the electrics in the house needed to be upgraded first (in order to comply with current regulations) but this work was completed shortly after.

On 4 May 2015 Mr and Mrs W complained to Lloyd's that there were snagging issues at the house. They said there were issues with the kitchen floor and that it needed refitting. The supplier was contacted but said it wasn't liable. No certificate of completion had been given to Lloyd's so it made liability for the flooring issues difficult to work out. So, Lloyd's offered Mr and Mrs W £800 as a cash settlement to rectify the floor themselves even though it felt it wasn't liable for the issues with the replaced kitchen floor tiles.

Mr and Mrs W remained unhappy and a formal complaint was raised. They complained that their AA hadn't been extended beyond 4 May 2015, about delays in installing the kitchen and carpet and the damage to the replacement kitchen floor. Lloyd's looked into their complaint but didn't think it'd done anything wrong. It said the delays in ordering and delivery of the new kitchen were outside its control. And it said the house was habitable from 4 May so there was no need to extend AA. Lloyd's said the offer of £800 to alleviate the distress they felt about their damaged kitchen floor was still available.

Unhappy with the outcome of Lloyd's investigation, Mr and Mrs W complained to this service. It was agreed between Mr and Mrs W and Lloyd's and this service that our investigation of this complaint would be put on hold until all the outstanding issues with the claim had been resolved and so any new complaints made could be considered at the same time. Mr and Mrs W then referred their complaint to this service again in February 2019.

Lloyd's agreed that we could consider the issues raised by Mr and Mrs W as addressed in its final response letter dated August 2015. It said any subsequent complaints raised by Mr and Mrs W would need to be considered under a new complaint reference.

The complaint made by Mr and Mrs W and addressed by Lloyd's in its final response letter of August 2015 was passed to one of our investigators to look into. He identified five separate heads of complaint that needed to be addressed. These were that Mr and Mrs W:

- felt the standard of repair work arranged by the loss adjuster had been of a poor quality and that their property had been damaged by Lloyds' contractors;
- were upset about having to move from their AA numerous times and at Lloyd's refusal to extend it before they felt their home to be habitable;
- felt there were delays and issues regarding the delivery of the oven which unnecessarily delayed the claim;
- felt the original loss adjuster was unprofessional and unnecessarily delayed the claim;
- felt that the claim has had unnecessary delays in general which had caused them trouble and upset.

Our investigator thought that Lloyd's had only been at fault in relation to the delay in fitting the carpet in that the original loss adjuster failed to consider the extent of kitchen contents stored in a bedroom (thereby preventing the new carpet from being laid). He said he could see that had made overall living conditions difficult when Mr and Mrs W returned home. For this he thought that Lloyd's should compensate Mr and Mrs W by paying them £100 for the trouble and upset they'd been caused.

Lloyd's didn't respond to our investigator's findings. Mr and Mrs W did but didn't agree with what he'd said. They said the snagging issues continued into the Autumn of 2015. They said it wasn't until the end of 2016 that the kitchen flooring was replaced. They said they remained unhappy at the way AA was organised for them and at how the loss adjuster dealt with the ordering of the new oven.

Our investigator wasn't persuaded to change his mind and said to Mr and Mrs W that any new issues not forming part of the August 2015 complaint would need to be considered separately.

The complaint was passed to me for a decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As referred to above, I'm only able to look here at the parts of Mr and Mrs W's complaint against that were addressed by Lloyd's in its final response dated 18 August 2015. I appreciate that Mr and Mrs W thought they had reached an agreement with Lloyd's whereby their 2015 complaint was put on hold pending their claim concluding and any other complaints they wanted to make all being considered within the confines of one complaint. So, I appreciate Mr and Mrs W's frustration that, having put their complaint on hold for almost 4 years, this hasn't been what's happened. But as our investigator has explained to them there are processes that need to be followed one of which is that Lloyd's must first be given the opportunity to address any complaint about it.

This is clearly a long running claim – and now complaint – and I can see that there's been a lot of confusion generated along the way. But I am pleased to note that whilst all Mr and Mrs W's complaints about Lloyd's and the way it handled their complaint can't be considered within the confines of this complaint, they are being considered albeit under a different complaint reference.

For ease of reference and continuity I will consider this complaint under the same sub-headings as our investigator did.

the standard of repair work arranged by the loss adjuster was of poor quality and the property was damaged by Lloyd's contractors

I can see that Mr and Mrs W told Lloyd's that there were a number of snagging issues arising out of the repairs that were undertaken. I can also see that Lloyd's responded to the issues raised and arranged for its contractors to rectify the issues – even those unrelated to the claim – in a timely fashion.

As regards the kitchen floor it seems that Mr and Mrs W insisted it was laid before the work to install the kitchen was done. I can see that Lloyd's contractor expressed its concerns about doing so but the floor was eventually fitted ahead of the kitchen refit and was protected ahead of doing so. After that was carried out Mr and Mrs W noticed some marks and said they wanted the floor replaced. I can see that Lloyd's contractor inspected the reported damage when he visited to look at the snags reported. I can see that he said two of the vinyl tiles had slight surface marks on them and one tile that had been fitted around a tall tower unit that Mr and Mrs W subsequently wanted moved now needed to be replaced. The contractor denied liability for the issues.

Whilst Mr and Mrs W said they wanted the floor replaced in its entirety I can see that it was possible to replace just the damaged tiles. So, I think that Lloyd's offer of £800 as a gesture of goodwill to alleviate any distress caused and to resolve this aspect of their complaint is a reasonable one in the circumstances. The tiles came from a major high street supplier such

that obtaining three new tiles should they so wish should've been straightforward. I can't reasonably require Lloyd's to replace the entire floor given there were two minor surface marks possibly not of its own making. The decision to move the tower unit after installation was Mr and Mrs W's so any issue with the floor tiles as a result is theirs to remedy.

I'm satisfied Lloyd's dealt with the outstanding repair work and that its offer in respect of the kitchen flooring is fair and reasonable, so I won't be asking Lloyds to do anything further in respect to this complaint point.

Whilst I note that Mr and Mrs W remained unhappy about the kitchen floor issues (and that ultimately it was agreed it would be replaced entirely towards the end of 2016) my findings here can only consider the matter up to 18 August 2015.

upset about having to move AA numerous times and at Lloyd's refusal to extend AA before Mr and Mrs W felt their home to be habitable

Lloyds arranged for AA in holiday accommodations and apartments as it calculated the repairs wouldn't take long enough to justify a short term let.

Unfortunately, there was a delay of a number of weeks with the delivery of the kitchen which was outside of Lloyd's control and which meant AA needed to be extended. Due to the nature of the accommodation in which they were residing there was, on occasion, bookings for other persons which meant Mr and Mrs W needed to move out. But given the delay with the kitchen was outside of Lloyd's control, and given the nature of the accommodation in which they were placed, I can't reasonably hold Lloyd's responsible for Mr and Mrs W having to move on several occasions.

Whilst I can understand Mr and Mrs W's preference to remain in AA for longer – until their oven was installed - I don't think Lloyd's unreasonably declined to extend it. I can see that Mr and Mrs W's home was deemed habitable at the start of May 2015 and that, even though it was without an oven, Lloyd's had offered two potential solutions to provide Mr and Mrs W with temporary cooking facilities. Both seem reasonable to me so I can't fairly say that Lloyd's unreasonably declined to extend AA. It is only required to provide it whilst the home is uninhabitable and, taking all the circumstances into account, I think that was from the start of May 2015.

I know Mr and Mrs W have said the loss adjuster promised to extend their AA but unfortunately there's no documentary evidence that he did so I can't reasonably hold Lloyd's to account for it. So, I'm not going to ask Lloyd's to do anything further in relation to this complaint point.

delays and issues regarding the delivery of the oven which unnecessarily delayed the claim

Mr and Mrs W feel there was a delay by Lloyd's in ordering a new oven. I can see from the file that the oven damaged by the escape of water was no longer available and that they provided Lloyd's with suggestions for what they thought were suitable alternatives. And I can see there was a dispute between them about whether the oven selected exceeded Lloyd's liability.

In response to our investigator's findings Mr and Mrs W provided a note that they'd sent to the loss adjuster in February 2015 which showed they had checked the availability of the oven they wanted (and provided him with the details shortly after) but that he did nothing

with this information for weeks thereby causing a delay. I'm unable to agree. The note Mr and Mrs W refer to says only that they are trying to check out the availability of the hob and oven they would like. I can see the model number was provided to the loss adjuster on 9 February 2015 but Mr and Mrs W say this is the oven *they* are looking to purchase. An email from the contractor to the loss adjuster on 9 March says that the appliances have been removed from the kitchen quote. And there's a further email from Mr W to the loss adjuster in late April asking for confirmation that he (Mr W) can proceed with ordering the oven.

On balance, I can't say from this evidence that Lloyd's unreasonably delayed ordering the oven to the extent that when the order was placed it was out of stock.

Insurers are permitted to take some time to ascertain liability for items they are being asked to replace and I don't think Lloyd's took an unreasonably long time in doing so over Mr and Mrs W's oven. But it was unfortunate – but outside of Lloyd's control – that the oven Mr and Mrs W had selected was no longer available. I can see Lloyd's offered reasonable solutions to the delay caused by that but that Mr and Mrs W declined them. But I'm satisfied that Lloyd's treated Mr and Mrs W fairly and reasonably in respect of their replacement over so I won't be asking it to do anything further in relation to it.

that the original loss adjuster was unprofessional and unnecessarily delayed the claim

I've seen no evidence that the loss adjuster didn't proactively manage Mr and Mrs W's claim. I can see he remained in regular contact with them and that most of the delays were down to the kitchen supplier and thus outside the loss adjuster's control. Whilst Lloyd's doesn't accept the comments Mr and Mrs W made about the original loss adjuster I can see that when their concerns were raised and they asked for a replacement adjuster to be appointed it agreed to do so. That seems fair to me and I can't reasonably ask Lloyd's to do any more.

the claim has had unnecessary delays in general which had caused them trouble and upset.

All insurance claims – by their very nature - attract a certain level of inconvenience; that's to be expected. And escape of water claims can be more complex and take longer to resolve than most. Here I can see it took a little over 5 months from first notifying the claim to the house being largely reinstated and Mr and Mrs W being able to move back in. I think that is a reasonably short amount of time given the extent of the damage caused and the repairs required. And within that timeframe was the delay caused by the kitchen supplier. So, I think that Lloyd's was proactive throughout this period and didn't cause any delays except for that in relation to the fitting of the carpet upstairs in one of the bedrooms.

I can see that the original loss adjuster failed to consider the quantity of kitchen contents being stored in one of the bedrooms and because of this, the fitting of the carpet in that room was unnecessarily delayed. This affected the overall living conditions for Mr and Mrs W after they returned to their home.

Where an insurer, through its words or deeds makes an ordinarily difficult situation even worse than it is, this service can recommend that it pay compensation to the insured. I think that the delay caused to the fitting of the carpet was an avoidable one such that it caused Mr and Mrs W some un-necessary trouble and upset for which I think Lloyd's should pay them compensation of £100. This amount is in line with awards we have made in similar circumstances and is, I think, fair and reasonable in all the circumstances.

my final decision

My final decision is that I uphold this complaint in part. I require Society of Lloyd's to pay Mr and Mrs W compensation of £100 for the trouble and upset they were caused by the delay in laying their replacement carpet. Society of Lloyd's must pay the compensation within 28 days of the date we tell them that Mr and Mrs W have accepted the decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W to accept or reject my decision before 11 April 2021.

Claire Woollerson
ombudsman