

## The complaint

Mr C is unhappy with the way in which Society of Lloyds (SOL) has handled a claim he made under his caravan insurance policy.

## What happened

Mr C has explained that on 8 June 2019 he and his family were staying at his caravan and went out for a little while. When they returned to the caravan the toilet had backed up, and sewerage had leaked within the caravan, causing damage to a number of areas. Because of the damage, Mr C made a claim under his caravan insurance policy.

Mr C feels SOL, and its appointed representatives, did a poor job of dealing with his claim. He's said there were delays in the progress of the claim, as well as problems with SOL failing to accept particular areas of damage.

And, when some work was completed, Mr C said this was of a poor standard. Mr C has said that his caravan has still not been put back into the position it was in prior to the loss. SOL has accepted there were avoidable delays in the initial stages of the claim. In December 2019, it offered Mr C £250 compensation to recognise this, and said £3,200 had been offered for alternative accommodation. SOL also said the loss adjuster would contact him about issues with the work carried out.

A loss adjuster did contact Mr C about the work carried out. Mr C and the loss adjuster met at the caravan and went through Mr C's concerns. These concerns were summarised as follows:

- 1) New carpet had been laid on top of old in the boiler cupboard
- 2) There were still sewerage stains on lower parts of wallboards
- 3) There was still mould and mushroom growth behind a unit
- 4) Some furniture had been turned round. Mr C wanted the wardrobe removed and the carpet replaced under it
- 5) There were now ridges in the hall and lounge floor that weren't there before.

SOL put these concerns to the party that had carried out the work, who I'll call S. The repairer, S, said it hadn't carried out any work in the boiler cupboard – both pieces of carpet had been there before its involvement. But said it could replace this. It also said it had deep cleaned the property, but there were still stains on the wallboards as described above, and it could check, clean and spray behind the unit.

Points four and five weren't accepted. S said it didn't go into the main bedroom and touch any of the furniture – so it hadn't turned this round. And the ridges in the floor were because the new flooring Mr C had chosen was vinyl, not carpet. And the carpet had hidden the ridges before.

SOL then went back to Mr C, and said it wanted to provide S with the opportunity to remedy items 1-3. Mr C was reluctant for this to happen but did agree. This was also in January 2020.

Mr C says the work wasn't completed. He asked S for his keys in March 2020, to go to the caravan, and S said it had never received the keys, until it then made a few calls and found them. This meant no work had been carried out in the three months prior. Following this, Mr C said SOL had a further opportunity to sort the problems. But in June 2020, the repairer still hadn't visited the caravan, despite him sending his keys to them. So, at that point, the relationship with the parties broke down, and Mr C said he was no longer happy S to deal with the situation any longer.

Mr C has explained that in October 2020, he asked a repair company to come and review his caravan and detail what work was outstanding. Which it did. It said:

- There were additional areas of flooring in the shower-room, hallway, twin-bedroom and lounge that needed to be removed.
- There was damage to a wardrobe and dresser in the main bedroom – with these items needing replacing
- The wardrobe in the twin-bedroom needed replacing
- The fridge-freezer housing needed replacing
- All internal walls that had absorbed sewerage needed removing and replacing.

But it didn't provide a quote for the work – noting this was because it didn't have time to carry out the job itself.

Because Mr C remained dissatisfied that his caravan wasn't back to pre-loss condition, he referred his complaint to this service, for an independent review.

#### *Our investigator's opinion*

Our investigator considered the complaint and thought it should be upheld. They said SOL should pay Mr C an additional £250 compensation, for delays between January 2020 and March 2020. And they asked for an independent expert to be appointed to review the caravan, and the policy, and provide an independent opinion on what needed to be done to repair the caravan, in line with the terms and conditions of the policy.

Mr C accepted the recommendation for an independent expert. But didn't agree the £250 was fair. He felt this figure was too low – because he'd had to pay ground rent to keep his caravan on site – when he wasn't able to use it. But he said he would consider this figure if the independent expert was able to resolve the outstanding issues with the caravan.

Mr C has since told this service that some ground rent was waived, but he paid around £900 in these costs.

SOL accepted the investigator's view and said it had always been willing to appoint another party to look into the matter.

But an independent party wasn't appointed. SOL said it had trouble getting an independent expert to attend, given the location of the caravan in comparison to the location of the experts. So, the loss adjuster met Mr C at the caravan instead, to discuss outstanding issues.

SOL provided a report, which reiterated points one to five above, that is had previously discussed with Mr C in January 2020. And reiterated its position on those. But it said the

parties were still unable to agree a resolution. It mentioned Mr C had raised the suggestion of SOL paying his £14,000. And it didn't agree to this.

Because the matter remained unresolved this complaint has been referred to me to decide. I issued a provisional decision on this complaint. In this I said:

*"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 intending on upholding this complaint.*

*Both parties have provided this service with numerous pieces of information on this complaint. And I've considered them all. However, when explaining the reasons for my intended decision I've only referenced information where this explains my current reasoning. When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly, fairly and not unreasonably decline it. So, I've thought about whether SOL, in dealing with this claim, acted in line with these requirements. And I don't think it did.*

*Cover under the policy*

*I've seen Mr C's policy documents. And I'm aware the policy provides cover for loss or damage to the structure of the caravan, caused by an escape of water, from a fixed water installation. The cover is on a new for old basis and also includes £1,000 for contents items. SOL has accepted that the claim is a valid one, caused by an escape of sewerage water. As SOL accepted the claim, I need to consider whether the claim was dealt with in line with this cover. As well as whether the progress of the claim was reasonable.*

*Initial scope of works*

*There is little evidence from the party that carried out work to the caravan, who I'll call S, as to what happened, and why. So, I've based my current decision on the evidence I do have from the parties.*

*In August 2019, SOL agreed to the following work at the caravan, based on a quote from S.*

- *Replacement of all floor coverings throughout the caravan, due to damage and sewerage contamination*
- *Removal and replacement of the shower, to replace the damaged flooring in the shower-room room*
- *A deep clean, including the affected sub-floor, and upholstery in the lounge, including curtains*

*I consider this was a fair schedule of work in the first instance. I've seen the report from the disaster restoration specialist that attended the caravan in August 2020. This made it clear the floor coverings needed to be replaced. So, it was reasonable for SOL to include this in the work it agreed to undertake.*

*Reports from the loss adjuster, testimony from the parties, and photographs of the caravan show that a deep clean was a fair and reasonable thing to do. I say this because they show the caravan had been contaminated by sewerage – with mould and blackwater present. As well as damage such as suspected sewerage marks on the wallboards and skirting. The aim*

*of the deep cleaning was to remove all of these contaminants, including smell, and ensure the caravan was fit for use again.*

*Given the above, I'm satisfied the initial scope of works was reasonable, based on what was known at the time. However, if the deep clean didn't resolve issues such as the contaminated subfloor, skirting and walls, I'd expect SOL to then consider an alternative method of putting the caravan back in its pre-loss condition.*

*SOL has shown that some additional damage to the caravan was pre-existing. And so, it didn't agree to work on these areas. For example, the seals between the roof and wall panelling had deteriorated, which had let water into the caravan, and damaged areas such as windows. Having seen the initial loss adjuster's report which evidences this, I'm satisfied that was fair.*

*SOL has noted a previous claim for damage to the caravan. And that it settled this. It's raised concerns that Mr C may not have completed the work to the caravan following that, allowing it to deteriorate – and made it difficult to tell what was damage from a previous claim, or this one. But SOL hasn't provided any details of what that claim was for, when it was, or what the settlement included. And I haven't seen anything to show the damage claimed for here was contributed to by a previous loss.*

*Given the above, I'm satisfied the scope of work initially agreed was reasonable at that time.*

*Quality of works carried out*

*I can see that SOL began the above work in September 2019. And Mr C was asked to come and sign of the work in December 2019. At that point Mr C raised concerns with the work. He didn't feel it put his caravan into a pre-loss condition. So, I've considered the work carried out by SOL and its representatives. And I don't think it put Mr C back in the position he was in, before the loss.*

*Mr C met with the loss adjuster in January 2020, to point out his concerns. I've seen an email SOL sent to S, putting Mr C's concerns to it. This dated 8 January 2020. The concerns noted were as follows:*

- 1) New carpet had been laid on top of old in the boiler cupboard*
- 2) There were still sewerage stains on lower parts of wallboards*
- 3) There was still mould and mushroom growth behind a unit*
- 4) Some furniture had been turned round. Mr C wanted the wardrobe removed and the carpet replaced under it.*
- 5) There were now ridges in the hall and lounge floor that weren't there before*

*Some of these concerns were accepted by SOL, and S. These being items 1-3. S had responded to the above email and said it hadn't replaced the carpet in the boiler cupboard at all. It accepted there were water stains on the lower wallboards – even though these had been cleaned. And it said it would check whether there was mould and mushroom growth behind the unit. It thought it might be glue marks instead.*

*S didn't agree to items four and five. S said it hadn't done touched the furniture mentioned and said the ridges in the floor were because Mr C had chosen vinyl instead of carpet – so the ridges from the boards beneath were simply more visible.*

*Given the above, it's clear items 1-3 needed to be remedied. There should have been no marks on the wallboards after the cleaning. And because the cleaning hadn't been effective – SOL should have sought an alternative resolution to the damage. It had also been instructed to replace the floor coverings and clean the whole caravan. So, the boiler cupboard carpet should have been replaced, and any mould (if this was present) should have been cleaned.*

*SOL did offer to go back and resolve these issues. But this never happened – for reasons I'll discuss later in the decision. But, as these items weren't sorted, they do now need to be remedied by SOL.*

*I'm satisfied items four and five don't need to be remedied by SOL. In terms of the wardrobe – I haven't seen any evidence this was touched by S, or that it was damaged by the escape of water. I appreciate Mr C's own expert said this wardrobe, and the one in the twin bedroom needed replacing. But the expert hasn't provided persuasive evidence that replacement is needed due to the insured event. In relation to item five, given it was Mr C's choice of flooring, I don't think SOL are responsible for the ridges being visible either.*

*Mr C has said there were other problems he noticed in December 2019. These were:*

- The caravan still smelling of sewerage*
- The subfloor and skirting were very marked with mould and black water*
- Inside the seating area was water damaged*
- There was a piece of wood underneath the caravan holding some pipes up*
- When he checked the shower was working, there was no running water. The water instead leaked, including out of the boiler*

*There is little commentary from SOL on the other issues Mr C raised, including from the most recent visit in May 2022. So, I've needed to consider the information I do have, and come to what I consider a fair, reasonable and pragmatic decision from there.*

*Sub-floor and floor covering*

*I've seen a report from a disaster restoration company – which noted the following in relation to this:*

*“On close of the under carriage [sic] of caravan there were visible signs of mould, Blackwater and water marks on the under carriage side of chipboard flooring in bathroom, lounge, hallway, kitchen, boiler room cupboard and 2 of the bedrooms due to the mould and sewerage contamination through both sides of the chipboard, some of the chipboard flooring may require removal and replacing. Due to the level of mould and waste water was unable to uplift flooring on today's visit, as didn't want to spread any cross contamination to caravan contents.”*

*S deep cleaned the subfloor. But I've seen photos that show me these marks are still present. Once the deep cleaning had failed in this area SOL should have looked to a different method to repair the damage – and it hasn't. So, I intend of requiring SOL to resolve the damage to the subfloor.*

*Mr C has said that new floor coverings were fitted on top of these contaminated boards. I'm satisfied this was the case – given the above information about the subfloor. I can appreciate how this is likely to have contaminated the new flooring. It has been fitted since at least*

December 2019, resting on a contaminated area. It therefore seems reasonable to me that SOL replace this flooring too.

#### *Wallboards and skirting*

*S accepted the wallboards remained waters stained following the loss. Mr C has mentioned the skirting too. It seems reasonable to me that the skirting would also be damaged, giving this would have been sitting just above the floor, which needed replacing – and on the wallboards – which had sustained damage.*

*The deep cleaning didn't remedy the problem. S accepted there were still water marks present. So, SOL should have come up with another repair method – to ensure these stains are no longer present. Given an attempt to repair these have failed, it now seems reasonable to replace these.*

#### *Shower*

*As above, Mr C said that when he went to check that the shower, once replaced, was working as it should – running water wasn't coming from this – but instead leaked elsewhere. It's not clear if this issue is resolved now. But SOL did remove the shower when replacing the flooring in this room. And so, I'd expect this shower to be replaced, and working again, following the repair S completed. But based on what has been said, it appears this wasn't the case. Again, it's difficult to know the current position with this. But I'm satisfied that if there is still no running water, SOL should pay for this to be repaired.*

#### *Seating area*

*Mr C has said that inside of the seating area is damaged. With water having seeped into the woodwork and carpet there. I've only seen one photograph of this area. And no detailed commentary from the parties. Mr C's expert didn't add this in its list of what work remained outstanding. As I haven't got any firm evidence this was damaged due to the insured event, I'm not intending on requiring anything further be done here. Should the parties have any further evidence to provide, then I will be happy to consider it.*

#### *Wood holding pipes up*

*Mr C has said there is a piece of wood under the caravan, holding pipework up. I don't find SOL needs to do anything about this. The scope of work didn't include doing anything to the outside or underneath of the caravan. So, I don't think it likely, based on what I've seen, that SOL put it there. And I haven't seen any suggestion that the escape of sewerage water – from the toilet having back up – caused any damage to pipes. So, I don't intend of making any award in this regard.*

#### *Other*

*Mr C has raised concerns about other items – which were in the caravan when the sewerage leak occurred. This includes curtains, sofa cushions, mattresses, and a bed (he noted a bedpost was stained by the sewerage). There is very little evidence in respect of these items. So, I've needed to come to my opinion, based on the information I do have.*

*An initial report from the loss adjuster explained that Mr C will be claiming for curtains and mattresses. In this report the loss adjuster said that given the low sum insured for contents on the policy, which is £1,000, replacement of contents would more likely be the most economic option – as opposed to cleaning.*

*In a later report, it was noted that the mattresses and some cushions were off the floor when the leak happened and therefore wouldn't have been damaged. But, I'm aware at this point*

*that the caravan still smelt of sewerage. The caravan was suffering from mould and mushrooms at points during the claim too. Given this, whilst the items may not have been on the floor, it seems reasonable these would have become contaminated by the condition within the caravan.*

*I've seen a photograph of a bedpost with some damage on it – but it's not possible to tell from just the photograph whether the damage is linked to the claim. It may simply be wear and tear. So, I don't find SOL need to do anything here. The parties are welcome to provide further information on this, for me to consider.*

*With this in mind, my current thought is that SOL should provide Mr C with a cash settlement to replace the curtains and the mattresses and cushions, in line with the remaining terms and conditions of the policy.*

#### *Deep clean*

*As the caravan still has contamination present from the leak, it's clear another deep clean will be needed, once the above is remedied. So, SOL will need to provide for this too.*

#### *Health and safety test*

*Mr C has highlighted he wants a health and safety test to be completed, to ensure that when all the work is complete, there are no contaminants left in the property from the sewerage leak and subsequent mould that was in the property. Given this claim has gone on since June 2019, and there appears to be a lengthy period of the property sitting in a contaminated state, it seems reasonable to me that this is completed, so Mr C can be provided with the peace of mind that his caravan is free of the sewerage that leaked into the property.*

*Given the above outstanding issues, I've thought about what SOL should do to put these things right. I accept that the relationship with the original contractor has broken down to the point where it is no longer feasible for them to return and rectify the work.*

*And in a recent meeting with a loss adjuster, Mr C expressed his wish for a cash settlement now. With this in mind, a cash settlement seems the most pragmatic option.*

#### *Progression of the claim*

*Mr C has said his claim didn't progress as it should have. And there were delays in this moving forward. So, I've thought about this too. As above, an insurer needs to move a claim forward promptly and fairly. I don't think SOL did this, in this case.*

*SOL acknowledged there were delays in the initial part of the claim. And I agree. Mr C had made his claim in June 2019, and in December 2019, at the point work was due to sign off, this wasn't ready.*

*Following this, there were further delays. Between January 2020 and March 2020, work was supposed to be carried out, to fix problems with the original work. It wasn't until Mr C asked to see the caravan in March 2020 that it became clear no further work had been done, as it should have been. I would have expected this work to have been moved forward efficiently, so the outstanding work it was agreed would be dealt with, was completed.*

*In April 2020, the caravan repair specialist noted the keys to the caravan had been lost in transit. In May 2020, it appears Mr C re-sent these to the relevant party. But later in June 2020, when Mr C asked if he could collect the keys and look at the caravan, the caravan*

*repair specialist noted the keys had gone to the wrong place, and it had just collected them – so still nothing further had been done. It's not clear why these went to the wrong place – so I don't hold SOL accountable for this. However, I would have expected SOL to have chased for these and contacted Mr C about it – rather than him needing to chase the matter.*

*It's clear that as this point there was a breakdown in communication between the parties. And I can appreciate why Mr C lost faith in the caravan repair company to deal with the claim. It had been involved in the matter for a year at this stage, work completed appeared poor and this still hadn't been resolved. Nothing happened on the claim after this, and the matter came to this service.*

*SOL offered Mr C £250 in respect of delays in the progress of the claim, up until December 2019. And our investigator recommended a further £250 for delays between January 2020, and March 2020. So, £500 in total. I've thought about whether this figure is fair and reasonable to reflect the trouble and upset Mr C has experienced. And I don't think it does.*

*I'm intending on requiring SOL to pay Mr C a further £250 compensation – so the total compensation is £750. I think this is a more reasonable figure. I say this because I think it more accurately recognises delays in the progression of the whole claim. It's clear this situation has been distressing and inconvenient for Mr C. He's needed to chase the progress of his claim, and it's been ongoing since 2019. Had the work been completed to the correct standard in the first instance – it seems the claim would have been concluded in December 2019.*

*Mr C has raised that he needed to pay ground rent for the caravan. He said the caravan site wrote some of this off. But he still needed to pay it around £900. And he's been unable to use the caravan, because of the above delays. And so, he felt it fair that SOL reimburse him for these costs. I've thought about this – but I don't agree. Mr C would have needed to pay this ground rent for the caravan to be at the park regardless. And whilst Mr C wasn't able to use the caravan, I've considered this in the compensation for trouble, upset and inconvenience above.*

*Given the above, I'm currently intending on upholding Mr C's complaint, and requiring Society of Lloyds to:*

- Pay a cash settlement to Mr C, based on market rates for both material and labour, for the removal and replacement of:*
- The carpet in the boiler cupboard*
- The wallboards, skirting and sub-floor, where these are water stained, or contaminated with black water and mould*
- The floor coverings which were laid upon contaminated sub-floor*

*Society of Lloyds should also pay a cash settlement for:*

- A deep clean of the whole caravan, to include the unit where C noted mould was present*
- The curtains, mattresses and cushions, in line with the remaining terms and conditions of the policy*
- The repair work to the shower, so it has running water, if this isn't already resolved*
- A cash settlement to allow for a health and safety test to be carried out, to ensure the property is no longer contaminated with the sewerage*



*Society of Lloyds should provide 8% interest, simple per annum on this amount, from the date of loss, to the date of settlement. Less any tax properly deductible. If HM Revenue & Customs requires Society of Lloyds to deduct tax from this interest, Society of Lloyds should give Mr C a certificate showing how much tax its deducted, if they ask for one.*

- *Pay Mr C £750 compensation in total.”*

Mr C responded to my provisional decision. Mr C expressed his concerns about the above being paid by SOL in cash. This being because he was having trouble getting anyone to do the work on the caravan. SOL didn't respond.

### **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 still upholding this complaint. Neither party has provided me with any comments or evidence that changes the outcome as detailed in my provisional decision. And so, the outcome remains the same, for the same reasons.

Mr C has raised concerns about SOL paying the award in cash, rather than completing the necessary work. And I do appreciate that. I considered that carefully when coming to my provisional decision. But I'm satisfied a cash settlement is the most pragmatic resolution here.

There has been a breakdown in communication with the insurer, and with the party that originally completed repairs on the caravan. As mentioned in my provisional decision, this is such that it's no longer feasible for the original repairer to return and rectify the work. And SOL hasn't been able to get another expert to attend, given the caravan's location. It's unlikely this will change. So, requiring SOL to repair the caravan is unlikely to move the situation forward in this instance.

There are also pre-existing issues with the caravan, noted in the loss adjuster reports, which will continue to let in water if not resolved too. So, any repair completed will likely be further damaged – such as because of water entering through failed seals. And Mr C will need to resolve those issues.

Given the relationship breakdown here, Mr C's previous representation to SOL about a cash settlement, the lack of other contractors, and the pre-existing damage to Mr C's caravan, I'm satisfied a cash settlement, as detailed below, is fair and reasonable.

### **My final decision**

Given the above, I'm upholding Mr C's complaint, and requiring Society of Lloyds to:

- Pay a cash settlement to Mr C, based on market rates for both materials and labour, for the removal and replacement of:
- The carpet in the boiler cupboard
- The wallboards, skirting and sub-floor, where these are water stained, or contaminated with black water and mould
- The floor coverings which were laid upon contaminated sub-floor

Society of Lloyds should also pay a cash settlement for:

- A deep clean of the whole caravan, to include the unit where C noted mould was present
- The curtains, mattresses and cushions, in line with the remaining terms and conditions of the policy
- The repair work to the shower, so it has running water, if this isn't already resolved
- A cash settlement to allow for a health and safety test to be carried out, to ensure the property is no longer contaminated with the sewerage

Society of Lloyds should provide 8% interest, simple per annum on this amount, from the date of loss, to the date of settlement. Less any tax properly deductible. If HM Revenue & Customs requires Society of Lloyds to deduct tax from this interest, Society of Lloyds should give Mr C a certificate showing how much tax its deducted, if they ask for one.

- Pay Mr C £750 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 August 2022.

Rachel Woods  
**Ombudsman**