

The complaint

Mr M has complained about delays caused by Lloyds Bank General Insurance Limited (Lloyds) following a claim under his home insurance policy.

References to Lloyds include companies and contractors acting on its behalf.

What happened

Mr M had an escape of water in a bathroom that damaged his home that damaged. So, he contacted Lloyds to make a claim. Mr M told Lloyds he would arrange to find the source of the leak and later submitted an invoice for the work. The property was then dried and Lloyds agreed to carry out works to repair the property, along with a cash settlement for some parts of the claim.

Mr M complained about the progress of the works. Lloyds replied and accepted there had been delays and communication issues. The claim continued and Mr M complained again. He said there was still outstanding issues, such as a leaking ensuite shower and the finishing of the new timber skirtings and architraves needed to match the existing fittings. He said the contractor had also damaged the stairwell wallpaper. He said the contractors had failed to complete the work in a reasonable timescale and he hadn't been able to make full use of his property while the claim remained unresolved. Mr M said he had also experienced stress and anxiety over the previous 14 months.

When Lloyds replied it accepted there had been issues with matching the skirting and architrave and said a cash settlement had been offered for these. Lloyds agreed there had been poor communication and delays. It offered £150 compensation and said a loss adjuster would be in touch to progress the outstanding issues.

Following this, Mr M complained to this service. While the complaint was with this service, the loss adjuster and a contractor visited the property and it was agreed what action would be taken to deal with the outstanding issues. Lloyds said it would deal with the issues with the skirting and architrave. It had also asked Mr M to obtain quotes for replacement wallpaper in case it couldn't provide a match. It said it would also remove the shower screen, remove all sealant and reseal it.

Lloyds told this service that following this it had been unable to colour match the skirting, so Mr M had said he would speak to his own decorator. It said tiles were on order and would be fixed soon and Mr M was getting quotes for the wallpaper.

Mr M later confirmed that the tiling and shower door work was completed. He said he was still obtaining quotes for the wallpaper and the contractor has said it would deal with the skirting board. Mr M also complained to Lloyds again about the outstanding issues and the length of time it was taking to resolve his claim. Lloyds accepted that the claim hadn't progressed as efficiently as it should have. It offered a further £150 compensation.

Following this, Lloyds paid Mr M £330 as a cash settlement for the skirting and architrave decorating, but Mr M said the shower enclosure continued to leak and the wallpaper hadn't been fixed.

Our investigator upheld Mr M's complaint. He said there were a number of delays in completing the building works, which would have caused distress and inconvenience. He said Lloyds should pay a further £200 compensation. He said Lloyds should also contact Mr M to arrange for the outstanding work to be completed.

Mr M didn't think the investigator's findings fairly reflected the length of the claim and the impact on him, including that some issues were still outstanding. So, the case was referred to me for a decision.

I issued my provisional decision on 16 November 2022. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

As both parties are aware, Mr M's first complaint was passed to this service more than six-months after Lloyds replied to it. So, I'm unable to consider that complaint, although I'm aware of what it was about.

Mr M has complained because of the poor handling of his claim, including that some of the works weren't carried out to a satisfactory standard. He was also concerned about the amount of time it has taken to progress the claim and that this has affected his ability to make full use of his home.

I can see this has been a very lengthy claim. I'm aware that drying needed to take place and that Mr M was concerned about the amount of time it took to appoint a loss adjuster. These were addressed in the first complaint, so I won't comment on these further, but note this for context. Mr M then contacted Lloyds because there wasn't any progress on dealing with the building works or for dealing with the costs for the decorating work. He asked when the works would start.

Several months after this, Mr M complained because the claim still wasn't resolved. It's my understanding that during that period, some new skirting and architrave was installed. However, the contractor later couldn't colour match it to the existing woodwork. The ensuite tiling was completed. The wall-heater leaked, which was later repaired. The shower enclosure also leaked. Repairs were made on the shower enclosure, but weren't successful. When Lloyds replied to Mr M's third complaint, it said it had arranged for site meetings to take place at Mr M's home.

I can understand Mr M found this unsatisfactory. It was reasonable for him to expect that repairs would be carried out in a timely manner and that they would be successful. I'm aware that Lloyds attempted further repairs on some of the items where the initial repairs failed. That is what I would expect an insurer to do. However, for the shower screen in particular, it has since been identified that the reason it kept leaking was that the shower screen fitted was unsuitable for the new shower tray. I think Lloyds should have taken steps to identify this sooner, including potentially when it was deciding the work to be carried out and the materials required. It seems that Lloyds either didn't consider whether the shower screen was suitable for fitting or it did so and was wrong in what it concluded. It then kept trying to fix the issue by resealing the shower screen. This wasn't going to work because the shower screen wasn't suitable. It was for Lloyds to identify this and provide an appropriate solution. But, even by the time of Mr M's third complaint, it hadn't done so.

Mr M also said some wallpaper was damaged by the contractor. Lloyds seemed to accept this. However, the issue then was whether it could be matched or whether it would need to

be cash settled. Again, I haven't seen evidence there was much focus from Lloyds on resolving this issue. Although Lloyds had delegated much of this claim to other parties, including the contractors who carried out the work, ultimately, it was Lloyds' responsibility, as the insurer, to ensure this claim was handled appropriately and in a timely manner.

Mr M has explained that Lloyds not bringing his claim to a close meant he couldn't use parts of his home. He said the main master bedroom was out of use, as well as the ensuite itself. A small bedroom was also out of use because items from the main bedroom and the ensuite were stored in it. Mr M was paid a cash settlement for the works to the master bedroom and living room. I asked Mr M why he didn't get the works done. The ensuite bathroom adjoined the bedroom. He said the ongoing issues with the ensuite bathroom, with no timescale for when these would be completed, meant he didn't want to get these works done because he wanted to prevent any further damage. I can understand that the ongoing issues with the bathroom were likely to have influenced Mr M's sense of whether he should have the works done for which he had been paid the cash settlement.

I also asked Mr M what had been agreed with Lloyds about using the bedroom for storage. Mr M said he couldn't recall a discussion about this specifically. But, regardless of why the bedroom was used, I think it's unlikely Lloyds or Mr M envisaged that the claim would take so long to resolve.

I note that in response to the third complaint, Lloyds said:

"I understand that you were unhappy that the previous complaint response did not outline a date by which the works were to be completed, however this information was not provided as there was no way of knowing this information. All claims are handled individually and as the time scale for each repair differs depending on the required work, the handler would have been unable to provide this information."

It is normal for policyholders to be given timescales in which work is expected to be completed, even if these later need to be revised. I think it was a reasonable expectation from Mr M that he would be given some idea of when the work would be completed. I think Lloyd's response was likely to have added to Mr M's view that no-one seemed to be focussing on his claim or concerned about bringing it to a conclusion. I currently intend to say Lloyds needs to review this claim to ensure all the issues Mr M raised in his complaints have been resolved. Where issues remain outstanding, Lloyds needs to take steps to ensure they are dealt with in a timely way and that the details, including what action will be taken and timescales, are clearly communicated to Mr M.

Mr M has said he thinks Lloyd's should contribute to his home insurance, council tax, electricity and mortgage. I've thought about this, but these costs are ones Mr M would have had to pay anyway. Mr M also said alternative accommodation had to be found for guests who were unable to stay with him. He also outlined the stress and inconvenience caused to various relatives. I don't currently think Lloyd's needs to pay anything towards any of these. The policy doesn't provide cover for those people and I'm unable to make awards to parties other than the policyholder.

Mr M provided details of how the claim handling has impacted him, including because of time he had to take off work to deal with aspects of it, missed appointments, phone calls and getting quotes. I'm also aware of the impact he has described because he couldn't use some of his home for a considerable time. He also outlined the stress and anxiety it had caused him. I'm mindful that claims can be stressful anyway and that it would always have taken time to carry out the repairs. But looking at the period covered by the more recent complaints, I'm currently minded to say that Lloyds should pay a total of £750 compensation, which includes the compensation it has already offered. I'm aware that this is considerably

less than Mr M has said he wants to resolve this complaint. I've taken into account this service's approach to compensation. I've also outlined above why I don't think some of the issues Mr M raised are covered. However, I think Lloyds has failed to fully consider the impact on Mr M of how it has handled this claim and I think this more fairly reflects the impact on him.

When Mr M outlined to this service what he wanted in terms of compensation/ costs, he included some items that appeared to be related to the claim settlement itself, including additional costs for the carpet and decorating. Mr M would need to raise these concerns with Lloyds if he doesn't think it has made a fair settlement.

I asked both parties to send me any more information or evidence they wanted me to look at by 14 December 2022. Both parties replied before that date.

Lloyds agreed with my decision. It said it would make arrangements to pay the compensation.

Mr M provided a range of comments, which I have summarised:

- The claim was still unresolved and no definitive date had been provided for the resolution of both outstanding items on the claim – the shower enclosure and the damaged wallpaper.
- Lloyds failure to respond to each of his complaint points hadn't been sufficiently considered.
- Lloyds still hadn't responded to the point he had previously raised with it about how it intended to compensate Mr M for his significant losses.
- Lloyds was already aware that a number of complaints had been made. It would therefore be reasonable to believe Lloyds would now be working diligently to resolve the claim as speedily as possible. However, he had recently emailed Lloyds about the outstanding issues on the claim and still awaited a response. There remained a complete disregard for proactive resolution of the claim.
- He didn't understand the context when I said I'd taken into account this service's approach to compensation.
- He agreed he would have had to pay some of the costs regardless. However, he would have expected to have full and unobstructed use of his property. Any claim should be completed within a reasonable timescale.
- He said that even if the claim should have taken six months, it was now nearing its two-year anniversary.
- He had previously provided a summary of his time and attendance costs related to chasing Lloyds and related to its failure to resolve the claim. At the time of the calculations, this was over £4,500 and further attendance was then required.
- There was no correlation between the £750 compensation I had recommended and the time and attendance calculation and the stress and inconvenience caused. He calculated the compensation at £1.37 per day over the course of 18 months.

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've decided to uphold this complaint and for the reasons I've given in my provisional decision. As part of that I've considered the comments from both parties. I should, again, make clear that my decision doesn't cover the entire period of the claim. Mr M complained to Lloyds about the first part of the claim, but it was brought to this service beyond the timescales in which we could consider it. It also doesn't cover the more recent issues because these weren't covered by the time period of the complaints that were brought to this service.

This service publishes guidance on our website about our approach to compensation, which is what I was referring to. When I looked at the circumstances of this claim and what Mr M wanted compensation for, I considered this. It wasn't my approach that the compensation should be considered as a 'daily rate'. When I said how much compensation I thought should be paid, I went through each item Mr M had listed. As I previously explained, I didn't think all of the items and issues Mr M had listed were ones that could be covered. I was aware Mr M had listed a number of days he had taken off work to attend the house while work remained ongoing.

I looked at Mr M's complaint in detail, including the points he had raised and whether Lloyds had responded to each point and, if it had, what it had said. I consider that I did this in sufficient detail to reach a fair outcome on this complaint.

I've also considered Lloyds' response to my provisional decision. This was a fairly brief response and said it was in agreement on paying further compensation. I realise its response might just have been focusing on the practical process of making the payment. However, for avoidance of doubt, I want to be clear that I require Lloyds to do two things.

As I've previously said, it was Lloyds' responsibility to ensure the claim was handled appropriately and in a timely manner. Even when it delegated much of the work to other parties, this was still the case. My provisional decision also said that I could understand why Mr M might have been of the view that no-one seemed to be focussed on his claim or concerned about bringing it to a conclusion. As well as paying compensation, Lloyds needs to review the claim to ensure all the issues Mr M raised in his complaint are now resolved. It needs to take steps to ensure any outstanding issues are dealt with in a timely manner. Any required actions and timescales need to be clearly communicated to Mr M.

Putting things right

Lloyds should review the claim and ensure all the issues raised by Mr M have been resolved. Lloyds must take steps to resolve any outstanding issues in a timely way. It must clearly communicate to Mr M the outstanding actions required and the timescales in which they will be dealt with. Lloyds must also pay a total of £750 compensation.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require Lloyds Bank General Insurance Limited to:

- review the claim to ensure all the issues Mr M raised in his complaints have been resolved. Where issues remain outstanding, Lloyds needs to take steps to ensure they are dealt with in a timely way and that the details, including the required action and timescales, are clearly communicated to Mr M.
- pay Mr M a total of £750 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 January 2023.

Louise O'Sullivan
Ombudsman