

The complaint

Mr and Mrs B have complained about their home insurer Lloyds Bank General Insurance Limited regarding a claim they made when a leaking pipe was found to be causing damage to their home.

What happened

Mr and Mrs B notified Lloyds of a claim on 20 December 2022. They'd had some trace and access work done, lifting part of the kitchen floor and a plumber identified a leaking pipe. They sent Lloyds documents including a cause of damage report in early January 2023.

In early February 2023, some initial assessment visits had been completed by Lloyds' agents. Mr and Mrs B told Lloyds how concerned they were about the unsafe state of their kitchen. They also reported that the Lloyds contractor had told them to empty the kitchen including the fridge and freezer pending strip-out work starting on 14 February. That appointment was subsequently cancelled. In late February 2023 Mr and Mrs B confirmed to Lloyds they were unhappy about the wasted food, the poor state of their kitchen and their time being wasted.

Lloyds continued to review the claim. Due to increasing costs it had appointed a loss adjuster and began considering further detail about the loss.

Mr and Mrs B chased Lloyds in April and May about the state of their kitchen. On 11 May 2023 Lloyds confirmed in writing that they could complete temporary repairs.

Lloyds' enquiries continued. Mr and Mrs B remained unhappy about how the claim had been handled. In final response letters (FRLs) of March and September 2023 Lloyds accepted it had caused delays and a lack of communication. It offered a total of £500 compensation. It subsequently made a decision on the claim.

Mr and Mrs B didn't think Lloyds FRLs answered their concerns. They complained to the Financial Ombudsman Service. In response to that complaint Lloyds told our Investigator that it had failed to answer concerns Mr and Mrs B had raised about losing freezer food and the state of their kitchen. It said it would pay £100 compensation and consider those issues as a new complaint.

Our Investigator felt that was a fair and reasonable response from Lloyds. Mr and Mrs B did not. Noting that they'd lost around £200 in food, they felt the £400 remaining compensation was insufficient. Their complaint was referred to me for an Ombudsman's consideration.

I was minded to uphold this complaint. I noted Lloyds' offer to consider the complaint points Mr and Mrs B raised with it in February 2023. But also that, in line with complaint handling rules, Lloyds had had 8 weeks to consider that, and when it did not do so Mr and Mrs B were free to revert to us for our view. So I didn't think Lloyds' offer, made subsequent to a complaint being brought to this service, to review those issues separately, was fair or reasonable. I determined to consider them, issuing a provisional decision to explain my views on everything to both parties.

To summarise, my view was that Lloyds had failed Mr and Mrs B. I felt it should be paying them an allowance for the period their kitchen was disrupted, £200 for freezer food and a total of £850 compensation.

Both Lloyds and Mr and Mrs B said they accepted my findings.

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.

I said provisionally:

Kitchen

As far as I can see Lloyds did not complete the trace and access work, so it did not leave the kitchen in the state it was in in January 2023. But in early February 2023 Mr and Mrs B told Lloyds of their concerns about the conditions they were living in – with the pipework remaining exposed whilst Lloyds progressed the water damage claim. And in mid-February, acting on instructions from Lloyds' contractor, Mr and Mrs B emptied the kitchen. In the months which followed Mr and Mrs B weren't told to complete temporary repairs or to reinstate the kitchen goods. From the file notes I have seen they weren't updated about the claim very much at all. It was only in May 2023 when Lloyds confirmed in writing that temporary repairs could be done.

I've seen photos of the kitchen. There is a large trench, and the remaining floor tiles are uneven. There's some bare plaster. I bear in mind that the cupboard and cooking area is on the other side of the kitchen island – but I accept that use of the kitchen was likely affected. And when the kitchen was emptied in preparation for strip out it would have been very difficult to do much if any cooking in there. Lloyds knew of the issues with the kitchen but did and said nothing in response to concerns Mr and Mrs B had raised about it until 11 May 2023. I intend to require Lloyds to pay a disturbance allowance for those living in the home of £10 per adult and £5 per child a day, from 14 February 2023 – the date of the failed appointment for which the kitchen had been emptied for – and until 11 May 2023 – when temporary repair confirmation was given. This to make up for extra costs likely caused by this loss of amenity.

Mr and Mrs B might wonder why I am not starting that allowance from an earlier date. I think the date of the appointment is fair. Until that point there was natural disruption due to the incident that led to the claim. But as of 14 February 2023, Lloyds knew the kitchen was in a poor state, did nothing to assist and made the situation worse by advising the kitchen to be emptied and then not attending or progressing the works further. With it acknowledging subsequent delays.

Freezer food

Lloyds has known about this since February 2023. Mr and Mrs B have said the food they disposed of was worth about £200. They've said that was for four shelves of food. To me that doesn't seem an unreasonable sum, and it's not something I'd expect them to be able to show receipts for. If Lloyds wants to dispute this sum, I'll consider any points it makes in reply to this provisional decision. Notwithstanding that I intend to require Lloyds to pay £200 to Mr and Mrs B, plus interest from 14 February 2023 until settlement is made.

Compensation

The period I am considering is from 20 December 2022 until 13 September 2023 (and I'm not considering the subsequently made claim outcome). Lloyds has acknowledged causing

delays to the claim during this period. And that it also did not communicate well with Mr and Mrs B, causing them to have to call and chase it. Also acknowledging it did not answer the concerns they'd raised about the kitchen and freezer food. It's offered £600 compensation altogether.

But that sum doesn't take into account the upset and inconvenience caused by the condition of the kitchen and the impact that had on Mr and Mrs B. Albeit I think I can only reasonably blame Lloyds for not acting during the three months 14 February to 11 May 2023 in this respect. Considering the claim journey as a whole, up until 13 September 2023, I think £850 compensation is fairly and reasonably due."

As both parties have accepted my findings, I've no need to change or amend them. I confirm that my provisional findings are now those of this, my final decision.

Putting things right

I require Lloyds to pay Mr and Mrs B:

- An amount equivalent to £10 per adult and £5 per child per day for the period 14 February 2023 until 11 May 2023.
- £200 for freezer food, plus interest* from 14 February 2023 until settlement is made.
- £850 compensation.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require Lloyds to take off tax from this interest. If asked, it must give Mr and Mrs B a certificate showing how much tax it's taken off.

My final decision

I uphold this complaint. I require Lloyds Bank General Insurance Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 5 April 2024.

Fiona Robinson
Ombudsman