

## **The complaint**

Mr and Mrs B complain that Society of Lloyd's ("SOL") is responsible for the poor quality of repairs to their property after they made a claim under their home insurance policy.

Mr and Mrs B are joint policyholders, but most of the communication regarding the claim and complaint has been from Mr B. So, I'll refer mainly to him in my decision.

References to SOL also include the underwriting syndicate which provided the cover under Mr and Mrs B's policy as well as the actions of any agents it is responsible for.

## **What happened**

In late 2020, Mr and Mrs B made a claim under their home insurance policy after an escape of water caused significant damage to their home. Loss adjusters were appointed to manage the claim and reinstatement work was carried out.

After the reinstatement work was completed in 2022, Mr B raised several concerns about the quality of the repairs. SOL acknowledged that there were some issues with the quality of repairs and offered Mr B £10,000 to bring the claim to a conclusion.

Mr B rejected SOL's offer and suggested a figure of £180,000. But SOL wouldn't agree to increase the settlement offer. So, Mr B raised a complaint.

SOL said it believed £10,000 was a satisfactory offer. It suggested that if Mr B did not wish to accept this, he should provide the underwriters with two quotations for the outstanding remedial works for their review. SOL acknowledged that there had been some poor service, but it thought £1,500 compensation that had been offered by the underwriters was fair.

Mr B remained unhappy and asked our service to consider the matter.

Our investigator thought SOL's offer to resolve the claim and complaint was fair. Mr B disagreed with our investigator's outcome and asked for the complaint to be considered by an ombudsman. So, the complaint 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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Mr B has told our service, but I'll be keeping my findings to what I believe to be the crux of his complaint. I wish to reassure Mr B I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

SOL has acknowledged some issues with the reinstatement works that were carried out by its contractors. It estimated the cost of rectifying these issues to be around £6,700. But it offered Mr B £10,000 in an attempt to bring the claim to a conclusion.

Mr B says £10,000 isn't enough to rectify the issues. He believes the bathrooms and flooring need to be stripped out and redone. He's suggested SOL pay him a cash settlement of £180,000 to cover the cost of redoing the work that was previously done.

In its response to Mr B's complaint, SOL suggested Mr B provide two quotations for the outstanding remedial works required. But Mr B doesn't appear to have done this. He has provided a quote for £3,361 for some items but these aren't items that SOL has agreed it is responsible for replacing.

For example, the quote includes a wall hung basin drawer unit, which presumably was to replace a damaged vanity unit. But SOL didn't agree to pay for this replacement because it says the damage was caused by poor workmanship by the original contractor who installed the bathroom, rather than the contractors who carried out the reinstatement works. And I haven't seen any evidence to contradict what SOL has said about this.

Since bringing his complaint to our service, Mr B has provided a report from an independent flooring expert, which we shared with SOL.

The flooring expert recommended that all of the tiles (in the hall and bathrooms) be uplifted and that movement in the subfloor be attended to before tiles were reinstalled. However, SOL says there isn't any evidence to show there is an issue with the subfloor and that the movement in the floor could just be the tiling layer. SOL also disputes that the uncoupling system the expert recommended be installed is necessary. It doesn't agree the absence of this would have resulted in tiles cracking and it says there is no evidence to show this was part of the original installation.

SOL says it believes it would be disproportionate to remove and relay all of the tiles and doing so would have a knock-on effect on the wall tiles and shower fittings. It says that only loose or cracked tiles and grout should be replaced.

The flooring expert's report says: "*The overall appearance of the porcelain and ceramic tiles is pleasing with no visible defects.*" He's commented that there were approximately 13 tiles which were not fully adhered to the chipboard subfloor and there were also some loose tiles in the bathroom.

The report says: "*I have been told that the consumers cannot use the underfloor heating system as when it is turned on the heat starts to lift the tiles...*" However, there isn't any independent evidence from the flooring expert to show that underfloor heating couldn't be used without causing further issues.

The flooring expert's report suggests he only carried out a visual inspection of the flooring with some of his conclusions based on information given to him by Mr B. I don't think there is sufficient evidence to show that there is an issue with the subfloor or that all of the tiles need to be replaced.

SOL's estimate of remedial works included the replacement of tiles in the hall and bathroom. While there seem to be more loose tiles than the number considered in the estimate, the estimate also includes items which Mr B says have been fixed, and SOL's offer was around £3,300 above the estimate. So, I think SOL's offer is sufficient to cover the cost of replacing tiles which are loose or damaged.

The flooring expert said he found the slope of the tiles in the shower to be insufficient to allow the water to drain out incorrectly. He commented that *“the fall of water to the shower drain is insufficient as I have been told that there is a backup of water which flows out of the shower area, another problem may be that the drainage size is insufficient.”*

He commented that the average tile fall is between 6mm to 8mm slope, but it isn't clear what distance this is over. In any event, the flooring expert doesn't appear to have carried out any tests on the drainage. So, I don't have sufficient information to conclude that the issue with the drainage was as a result of poor workmanship by SOL's contractors.

The flooring expert also commented on the difference in heights between the rooms and hall. But SOL has said all along that this difference in heights was present prior to the claim. And I haven't seen evidence to contradict what SOL has said here.

I appreciate my answer will be disappointing for Mr and Mrs B who strongly believe that extensive works need to be carried out to put their property back to its pre-loss condition. However, I haven't seen sufficient evidence to conclude that this is necessary.

Based on what I've seen, I think SOL's offer to pay Mr and Mrs B £10,000 for remedial works is reasonable.

SOL has acknowledged some poor service and avoidable delays in the progression of Mr and Mrs B's claim. It's offered Mr and Mrs B a total of £1,500 to compensate them for this, which I understand they haven't accepted. This is in the range of what our service would typically award where a business is responsible for causing substantial distress, upset and worry with the impact felt over many months. So, I think this reasonably recognises the impact of the poor service and delays SOL is responsible for.

If Mr and Mrs B accept my decision, SOL should pay them the amounts it has previously offered.

### **Putting things right**

Society of Lloyd's should pay Mr and Mrs B:

- £10,000 for remedial works and
- £1,500 for distress and inconvenience.

### **My final decision**

Society of Lloyd's has already made an offer to pay £11,500 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Society of Lloyd's should pay Mr and Mrs B £11,500.

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 10 January 2025.

Anne Muscroft  
**Ombudsman**