

## **The complaint**

Mr C complains Lloyds Bank General Insurance Limited hasn't settled an accidental damage claim against his contents insurance policy fairly.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them here. Instead, I will focus on the reasons for my decision.

## **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.

Mr C had a contents insurance policy with Lloyds. In August 2023 he made a claim against it for accidental damage to a laptop. Lloyds accepted the claim. This complaint is about the value of the settlement. Mr C has indicated he is dissatisfied with the service he's received from the broker/intermediary. As the broker/intermediary is a separate legal entity, and Lloyds is not responsible for its acts or omissions, this decision does not address those matters. This decision is solely about the claim Mr C has made against his insurer, Lloyds.

The policy covers Mr C's laptop for accidental damage. It says Lloyds will replace the laptop on a 'new for old' basis. Lloyds therefore needed to replace the laptop with a new item on a like for like basis. Lloyds couldn't replace the laptop as it was old and no longer available. So it reviewed the specification against what was available, and found the 2020 model for £1,121.06. This led to a settlement of £871.06 (net excess). I'm satisfied this was a like for like replacement based on the quality and specification of the two items.

Mr C didn't accept this settlement because, in brief, he wanted a 2023 model, which cost more. Lloyds went on to increase its settlement offer, first to £899 (net excess) and then to £1,000 (net excess). While I understand Mr C considers he should be entitled to the latest model of his laptop, I don't agree that is what the policy required of Lloyds. Instead, it need offer him new for old on a like for like basis, and that's what the original settlement offered him. It follows Lloyds' settlement, and its subsequent ones, are fair and reasonable.

Mr C has been dissatisfied with the service he received from Lloyds, including claim progression issues and what he describes as delaying and stalling tactics. Lloyds has accepted it let Mr C down at times and has offered him £300 compensation – in total – in recognition of the distress and inconvenience he's been caused. I agree Lloyds' actions – or lack thereof – have caused Mr C some unnecessary distress and inconvenience. It follows compensation is appropriate and I consider Lloyds' offer a fair and reasonable amount.

## **My final decision**

I uphold this complaint and require Lloyds Bank General Insurance Limited to pay Mr C:

- £1,000 to settle the claim; and

- £300 compensation – in total – for the distress and inconvenience he’s been caused.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr C to accept or reject my decision before 14 January 2025.

James Langford  
**Ombudsman**