

The complaint

Mr E and Miss S complained about Lloyds Bank General Insurance Limited. They aren't happy about the way it dealt with a potential subsidence claim under their home insurance policy.

For ease of reading any reference to Lloyds Bank includes its agents.

What happened

Mr E and Miss S made a claim under their home insurance policy with Lloyds Bank. But when it dealt with the claim Lloyds Bank suggested there was subsidence at the property, but Lloyds Bank changed its mind on various occasions. Mr E and Miss S went on to complain to Lloyds Bank and then this Service as they wanted confirmation that there wasn't any subsidence at the property or for Lloyds Bank to undertake the necessary repairs related to any possible subsidence.

Our investigator looked into things for them, but he thought Lloyds Bank hadn't acted unreasonably. He looked at the various final response letters (FRL's) and felt Lloyds Bank had made it clear that subsidence had occurred at the property. He was satisfied that Mr E and Miss S had a valid claim under the policy subject to the policy excess which Mr E outlined had been waived by Lloyds Bank partly in compensation for surveying reports they had paid for. However, our investigator didn't think there was sufficient evidence to say that this had been agreed verbally. So, he thought Mr E and Miss S should pay the excess in order to allow the claim to proceed.

As Mr E and Miss S didn't agree, seeming to believe that they should get confirmation that there wasn't a subsidence problem at their property as opposed to a claim being advanced, the matter 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 agree that Lloyds Bank's offer to advance a claim in relation to subsidence if Mr E and Miss S want to pursue this seems fair. I'll explain why.

I also think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.

I can understand Mr E and Miss S' frustration and confusion here as there clearly has been confusing communication from Lloyds Bank and its representatives about their property and

the subsidence issue. However, while this complaint has been with this Service for consideration our investigator checked the latest position with Lloyds Bank. And it has confirmed the latest position saying that since the drains have been repaired at the property that the cause of the subsidence has been removed but the subsidence issue remains.

Given this I wouldn't expect Lloyds Bank to confirm that there wasn't any subsidence given its experts opinion. And as Mr E and Miss S wanted confirmation of this or to be able to proceed with a claim I think Lloyds Bank's position of allowing the subsidence claim (subject to the policy excess) seems fair. I know Mr E has said it was verbally agreed that his excess wouldn't be payable, as he paid for surveys separately, but I haven't seen any evidence of this so Mr E and Miss S would be expected to pay this. However, if Miss S and Mr E have paid costs in relation to their claim that should be refunded I would expect Lloyds Bank to consider these.

My final decision

It follows, for the reasons given above, that I think Lloyds Bank General Insurance Limited has acted fairly here. And I'll simply leave it to Mr E and Miss S to decide if they wish to pursue their claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E and Miss S to accept or reject my decision before 28 September 2023.

Colin Keegan
Ombudsman