

## The complaint

Mr and Mrs W complain about Lloyds Bank General Insurance Limited's (Lloyds) poor handling of their claim, under their home insurance policy.

## What happened

Mr and Mrs W had a leak at their home. They made a claim under their home insurance policy that they held with Lloyds. They raised several complaint issues essentially regarding the poor service, poor communication, and delays that they experienced throughout the claims process.

In summary, the points are:

- *The company arranging alternative accommodation failed to do this and contact them. This resulted in Mr and Mrs W having to arrange this (and removals) themselves.*
- *Mrs W was told, after viewing a property, that she had to lease it for 12 months minimum. This wasn't previously advised and wasn't practical, particularly as the work was only expected to take one month.*
- *Due to lack of availability for alternative accommodation, Mr and Mrs W stayed in a two-bedroom flat. This wasn't like-for-like to their home.*
- *The alternative accommodation wasn't fit for purpose and smelled of smoke, with a broken bed, drug paraphernalia, dirty, faulty lighting and appliances and no hot water for 10 days.*
- *They were left to arrange storage of their items.*
- *The flooring contractor damaged their new bifold doors and this wasn't rectified within a timely manner, or by the three separate contractors appointed to complete the repair.*
- *Lack of contact from the contractors (LC) Lloyds instructed to deal with the rectification of their property.*
- *Their underfloor heating wasn't fully functioning after the repairs. It took three visits to resolve.*
- *There were issues with patchy paintwork and woodchips in the skirting boards.*
- *Delays in rectification work being carried out.*
- *They weren't made aware that a specific agent from Lloyds was overseeing the entire claim, nor that she had been taken off the case and a new department had taken over.*
- *Mrs W's details were passed without her consent to someone who the LC found on social media, to arrange repairs of the bifold doors.*
- *Contractors didn't show up for pre-arranged appointments.*
- *Promised call backs weren't actioned.*
- *The appointed solicitors haven't provided adequate service and the claim has been going on for two years.*

Lloyds accepted that the level of service that it provided during the claims journey was poor. It issued three final responses, in answer to the poor service it gave.

The first was issued on 17 June 2021 and it dealt with Mr and Mrs W's complaints regarding the alternative accommodation and storage issues. Which they said they had to sort themselves. Lloyds accepted this and offered and paid £50 compensation for the trouble and upset caused.

The second final response was issued on 25 October 2022. This complaint related to the delays that Mr and Mrs W experienced, their renewal premiums, the poor communication and that the trades who attended, caused damage to their property. Lloyds awarded £200 compensation for the trouble and upset caused.

The third final response was issued on 3 March 2023. This complaint related to the delays again. As well as a data breach. For this, Lloyds awarded £700 compensation, for the trouble and upset caused.

Mr and Mrs W still remained unhappy with these outcomes and referred their complaint to our service. One of our investigators considered the complaint and thought it should be upheld. Her view was that Lloyds hadn't given our service permission to look into points 3, 4, 8 and 11. As those points hadn't been previously raised with them. She advised Mr and Mrs W to raise those points as a new complaint with Lloyds.

Also, Mrs W raised that they hadn't been reimbursed for parking permits that the trades used whilst at her home. Again, our investigator advised that as this hadn't been previously raised with Lloyds, then it was only fair for it to have an opportunity to address this before referring the complaint to our service, if needed.

Our investigator discovered that some of the complaints (nos 1, 2 and 5) raised, were out of jurisdiction, in that they had been referred to our service outside of the six-month time limit. So, she was unable to consider those complaints.

Finally, as to points 6,7,9,10,12, 13, 14 and 15, our investigator upheld these complaints and made the following recommendations. She felt that although Lloyds had awarded a high amount of compensation, namely £950, she didn't think this adequately reflected the impact caused on Mr and Mrs W. So, she said that it should increase the amount of compensation by a further £350. As well as take further action to rectify the outstanding work namely with the underfloor heating. And to provide updates in relation to the timescales in progressing the legal proceedings.

Lloyds accepted the view. Mr and Mrs W did not. They felt that the additional £350 was paltry, given the impact that this had. They felt that the breach of data which they said was serious had been ignored. They felt it was unfair that Lloyds should only pay a further £350, given that they had to do so much during the claim process, which Lloyds should've been doing. They also felt that they had been mis-sold the policy. So, as they felt a higher amount of compensation ought to be recommended, they asked for a decision from an ombudsman.

### **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 will uphold this complaint, for much the same reasons as our investigator. I understand that this is likely to be a disappointment to Mr and Mrs W, but I hope my findings explain why I think this is fair.

It's clear from the evidence and both parties accept that the level of service Mr and Mrs W experienced fell below the standard that Lloyds would have liked. Lloyds recognised this and offered a total, of £950 compensation for the trouble and upset this caused.

I understand that Mr and Mrs W are unhappy with the amount of compensation that Lloyds offered, as they said that it failed to adequately reflect the impact its errors had on them. They would like a far greater amount, so I've concentrated my findings on whether the total amount of compensation (and I include the further £350 that Lloyds has agreed to pay) is fair in the circumstances of these complaints.

Having reviewed the evidence, I agree that the complaints that related to the storage of their items and the issues regarding the alternative accommodation, were referred to our service past the six-month time limit.

Our rules say that, without business consent, I can't consider a complaint which is referred to this service more than six months after the business has sent its final response. This rule is called Dispute Resolution rule. It can be found in the regulator's handbook of rules and guidance (available on the Financial Conduct Authority's (FCA) website).

Mr and Mrs W referred the complaint to our service, in excess of the six-month limit. Consequently, I'm unable to consider these complaint issues.

I also agree that several of the complaints as outlined above, hadn't been raised with Lloyds previously (namely 3,4,8 and 11). And I think it only fair that Lloyds is given an opportunity to address the concerns that Mr and Mrs W have, before referring the complaints to our service, if need be.

Turning to the main issue of this complaint, that is, the amount of compensation offered. Mr and Mrs W have explained that they believe that a total of £1,300 compensation that Lloyds has agreed to pay, doesn't adequately reflect the impact Lloyds' errors made on them.

I recognise that Mr and Mrs W suffered a significant amount of inconvenience and distress as a result of Lloyds' errors. But we are guided by our compensation guidelines when considering what is a fair and reasonable amount of compensation for a business to award.

Having reviewed those guidelines (which are on our website) I'm satisfied that Lloyd's errors caused serious disruption to Mr and Mrs W's lives over many months. And in addition to the significant inconvenience caused, I think the £1,300 compensation offered is in line with our strict guidance on compensation awards. So, I don't think the amount offered is unreasonable and I do think it adequately reflects the impact caused to Mr and Mrs W.

I ought to say that I understand the reasons why Mr and Mrs W are seeking more, but our service is not here to punish businesses for mistakes or failings. Rather we make decisions on an impartial basis and make assessments on whether compensation is warranted. It is the Financial Conduct Authority (FCA) who has the power to penalise businesses and Mr and Mrs W, are at liberty to refer this further to the FCA for investigation, if they wish.

I understand that Mr and Mrs W believe that the breach of data hasn't been taken seriously. But I can assure them that this has been taken into consideration when assessing the level of the increased compensation amount. Again, it isn't our service who can conclude on whether there was a breach of data or not. As this is the remit of the Information

Commissioners Office (ICO). But we can comment on whether a business has acted appropriately or not. And I'm satisfied that Lloyds did act appropriately. Not only did it log it as a breach it appears that it offered compensation for the trouble and upset this caused. Mr and Mrs W are again at liberty to refer this to the ICO for further investigation if they wish. The ICO has the power to fine businesses, or individuals within them.

Mr and Mrs W have mentioned that there are outstanding issues namely the correct working of the underfloor heating. And the lack of updates from the solicitors. I'm pleased that Lloyds has recognised this and agreed that these outstanding issues need to be addressed.

Finally, Mr and Mrs W felt that they had been mis-sold the policy. But I can't see that this complaint had previously been raised with Lloyds and I think if Mr and Mrs W wish to, they ought to raise this new complaint to Lloyds for further investigation. If after it has been investigated and they remain unhappy, of course they can refer a new complaint to our service.

I acknowledge Mr and Mrs W's strength of feeling about this complaint and the reason why they referred it to our service. But, in the overall circumstances of this complaint, I do find that Lloyds acknowledged the failings in customer service and accepted that the handling of their claim should've been better.

Lloyds originally offered a high amount of compensation. But I do think that given the significant distress and inconvenience caused to Mr and Mrs W, that the compensation should be increased by a further £350, making an overall total of £1,300, which I think is fair and reasonable. It also takes into account the impact of the failings on Mr and Mrs W.

### **Putting things right**

I recognise that the whole event has no doubt been a challenge for Mr and Mrs W, and I do think that Lloyds also recognise its failings. So, to put matters right, I direct Lloyds as indicated below.

### **My final decision**

For the reasons given, I uphold this complaint.

To put matters right, Lloyds Bank General Insurance Limited to:

Pay Mr and Mrs W £1,300 (in total) compensation for the trouble and upset caused.

Contact Mr and Mrs W to discuss any outstanding issues with their underfloor heating which are related to this claim and, if appropriate, arrange a follow up visit to repair this.

Contact Mr and Mrs W to discuss a current update from the solicitors and timescales for progressing the legal proceedings.

Lloyds Bank General Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr and Mrs W accept my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

If Lloyds Bank General Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs W how much it's taken off. It should also give Mr and Mrs W a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 22 November 2023.

Ayisha Savage  
**Ombudsman**