

## **The complaint**

Mr W complains that Lloyds Bank General Insurance Limited (Lloyds) failed to fully pay a settlement, following a claim under his home insurance policy.

## **What happened**

Following a storm, Mr W made a claim, Lloyds instructed a surveyor to assess the damage and write a report on the cause. The surveyor concluded that the damage caused externally wasn't as a result of a storm. But he did conclude that the internal damage could be covered, under the accidental damage peril of Mr W's policy.

Lloyds accepted that the internal damage could be settled and made an offer. Mr W was unhappy with the offer, as he said that it didn't fully meet the costs that he had obtained from third-party contractors.

During the claims process, there were poor service issues and Lloyds accepted this and offered a total compensation of £350, for the trouble and upset caused. Further, it offered £536.02 for the damaged carpets and £1,057.28 for damage to the property. Mr W was still upset, as he was seeking a higher amount. And as he was given his referral rights, referred a complaint to our service.

One of our investigators considered the complaint and said that Lloyds' settlement offer and compensation of £1,943.30, was fair and reasonable. She based this on the evidence, as well as the policy terms and conditions. She concluded that there wasn't anything further that she could reasonably ask Lloyds to do.

Both parties accepted the view and Lloyds was asked to make payment of the settlement and compensation within four weeks. However, after the four weeks had elapsed, Mr W contacted our investigator to inform her that Lloyds hadn't settled the claim.

Lloyds said that it had been waiting for Mr W to contact them, so that it was able to affect payment. But as he hadn't, it agreed to make payment. It also agreed to make an interest payment from the date of the acceptance of the view, until settlement, at a rate of 8%. Lloyds then settled the claim with a total payment of £1,597.

Mr W raised a further complaint as he believed that the payment made by Lloyds was considerably lower than what had been agreed. Lloyds said that it had deducted the excess charge from the amount, as well as the amount of compensation that had been previously paid, so the amount paid was correct.

Mr W said that he had asked that the excess payment shouldn't be charged, given the delays throughout the claims process and the additional delays, before Lloyds made this payment. He was certain that this had been agreed to and was recommended by our investigator. He said that he wanted the full amount of £1,943.30, to be paid. So, he 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 won't uphold this complaint. I understand this is likely to be a disappointment to Mr W. But I hope my findings go some way in explaining why I've reached this decision.

I've reviewed all the evidence that both parties have provided, as well as the policy terms and conditions and the settlement that Lloyds paid to Mr W. I think the main issue of this complaint is whether Lloyds made full payment of the settlement and compensation, that it agreed to pay Mr W.

I think the starting point ought to be the policy terms and conditions. These are effectively the contract between the parties. That is, what the parties agreed to under the policy. The policy states that after each claim is made, an excess payment is charged. As far as I can see, there doesn't appear to be any situation, where the excess fee can be waived, without the express permission from Lloyds.

The insurance policy states: *'Your excess is the amount you have to pay towards the cost of a claim. The excess amounts are shown on your policy schedule. Different types of claims have different excesses, so make sure you check. If more than one excess applies to your claim with us, you only have to pay the highest.'* The policy schedule outlines the excesses that must be paid in the event of the claim.

I note that the policy allows that where there are more than one excess that applies to a claim, then only one excess is charged albeit, the highest amount is charged. Lloyds said that a deduction was made for the excess payment, that would've been charged, as a claim was made.

Given the terms and conditions of the policy, that Mr W agreed to, and having reviewed our investigators view, as well as her case closure letter, there was no mention of any agreement of the excess being waived by Lloyds. Therefore, I'm not satisfied that Lloyds was unfair or unreasonable to charge an excess.

I've next considered what other items had been paid. Lloyds accepted that it was to pay for the damage to the property and Mr W's carpet, as well as compensation. Mr W accepts that he had previously been paid £250 compensation. The amount of compensation that had been offered was a total of £350. As £250 had already been paid, I'm satisfied that Lloyds had a further £100 to pay and not an additional £250, as this had already been paid earlier.

For clarity, Lloyds paid £536.02 in respect of the damaged carpet. It paid £1,057.28 in respect of the damage to the property. It deducted £100 excess in respect of the carpet and made a first payment of £1,493.30.

It paid £350 compensation, as well as £4.00 interest. However, as £250 compensation had already been paid, it sent a second payment of £104 in respect of the balance compensation and interest. Consequently, Mr W had been paid in full.

Accordingly, I'm satisfied that Lloyds has paid, in full, all of the settlement, compensation and interest, as agreed. I understand that Mr W is likely to be disappointed in this decision. But, as Lloyds has made full payment, there is nothing further that I can reasonably ask it to do.

**My final decision**

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 12 October 2023.

Ayisha Savage  
**Ombudsman**