

The complaint

Mrs J and Mr S complain about how Lloyds Bank General Insurance Limited ("Lloyds") have dealt with a claim they made on a building insurance policy.

What happened

The details of this complaint are well known to both parties, so I won't repeat them in full again here.

In summary, the property Mrs J and Mr S own, suffered from an episode of subsidence. They made a claim to Lloyds, and repairs were undertaken at the property.

As is usual practice, a Certificate of Structural Adequacy ("CoSA") was sent to Mrs J and Mr S once the works had been completed.

Mrs J and Mr S pointed out there were errors on the CoSA with the dates and names stated on it. These were corrected.

Mrs J and Mr S are also unhappy with the content of the CoSA and have concerns it doesn't contain important information that would satisfy any future purchasers of their property. Mrs J and Mr S have made several suggestions about how the certificate should be changed. They made a complaint to Lloyds about this.

Lloyds has confirmed to Mrs J and Mr S that it is happy with the content of the CoSA and believes it covers all of the relevant information required. It has confirmed that should any problems occur with the repairs that have been undertaken, within a reasonable amount of time, it will look into these again. It has also confirmed to Mrs J and Mr S that the CoSA is transferrable to any new purchaser and, subject to them meeting underwriting criteria, the new purchaser would be able to take out a new policy with them.

Lloyds recognised there were errors with the initial CoSA document that was sent out and offered £100 compensation for this.

Mrs J and Mr S remained unhappy and brought their complaint to this service. Our Investigator looked into it and let Mrs J and Mr S know she didn't think Lloyds needed to do anything more. It had provided Mrs J and Mr S with a CoSA that followed the general format used and it had provided assurances to them about their concerns surrounding any future sale of the property.

Mrs J and Mr S, disagreed and as part of their complaint submission, provided opinions from two independent surveyors as to what they would usually expect to see on a CoSA or in supporting documentation. In responding to the investigator, they said they didn't feel this information had been taken into consideration. They maintained the CoSA Lloyds had supplied did not contain sufficient information and any potential purchaser would require further information. In asking for an ombudsman's decision, they requested that rather than focussing on whether current industry practice has been followed, comment should be given on whether that practice is just, fair or legal.

The case 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 with the conclusions reached by the investigator. I do so for the following reasons:

My role is to review whether Lloyds has done what it needs to do in respect of the insurance claim that has been made. Which relates to undertaking a repair to the property and providing a CoSA. In this case, Lloyds have done both of these things.

As Mrs J and Mr S have already recognised there does not appear to be any regulations or guidance which set out specifically the level of detail that has to be provided on a CoSA. In any event, it isn't my role to decide whether or not the CoSA which has been provided would be in breach of any such regulations or guidance.

I can see here Lloyds passed Mrs J and Mr S' concerns on to its agent that oversaw the repair to the property and that business has said it is satisfied with the content of the CoSA and doesn't feel any further amendments are necessary. It has confirmed the content is in line with industry practice and it has also provided Mrs J and Mr S with a copy of the scope of works which gives more detail on the repair work that was undertaken at the property. I think Lloyds has acted reasonably here by passing Mrs J and Mr S's concerns on. Had it not done so, I would have directed that to happen.

Lloyds remain responsible for providing a lasting and effective repair of the damage. It has confirmed should the damage re-occur within the next six years in the same area, it would reopen the claim. It has said should the property have been sold within that time it would deal with the new owner of the property. Anything after that time would be considered a new claim.

Lloyds has also confirmed to Mrs J and Mr S the CoSA would be transferrable to any new owner of the property. And also, should the new owners of the property meet their underwriting criteria, they would be able to take out a policy with it. These actions are reasonable and are the assurances I would expect to be provided in circumstances such as this.

Although I can appreciate why Mrs J and Mr S are concerned any future sale of the property should progress without any issues. These are concerns that have not yet, and may not, materialise.

It is for a lawyer to make any necessary enquiries on behalf of a prospective purchaser. And then to be satisfied by any answers it receives from the respective parties. There is nothing at this point to say that any future purchase would be hindered by the information that has been provided. Therefore, although I have taken into account the opinions that Mrs J and Mr S have obtained, at this point no loss has been quantified and I as I have set out above, I think the actions Lloyds have taken so far are reasonable.

Mrs J and Mr S have requested Lloyds provide the health and safety file associated with the works and Lloyds have confirmed this will be sent to them. Again, assessing compliance with the regulations Mrs J and Mr S have referred to does not fall within my remit. However, from a customer service perspective, I'm pleased to see Lloyds has responded to their request.

Overall, I think Lloyds have acted fairly and reasonably in how it has dealt with Mrs J and Mr S' complaint. It has recognised it made an error in the initial CoSA document and offered £100 compensation to reflect that. I think that amount is fair and reasonable in the circumstances.

My final decision

My final decision is that I do not uphold Mrs J and Mr S' complaint against Lloyds Bank General Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J and Mr S to accept or reject my decision before 10 October 2023.

Alison Gore
Ombudsman