

The complaint

Mr and Mrs P complain Lloyds Bank General Insurance Limited handled their home insurance claim poorly.

What happened

In November 2021 Mr and Mrs P's property suffered an oil leak from a storage tank. This caused extensive damage. A claim against their Lloyds home insurance policy was accepted. In late summer 2022 Mr and Mrs P complained about various aspects of how it was being handled – including progress and communications.

Lloyds responded in October 2022. It addressed various issues raised by Mr and Mrs P. It apologised for providing a poor service. In recognition of the inconvenience it offered them £1,150 compensation. They weren't satisfied with that, so came to this service. They feel that isn't enough to compensate for the impact of Lloyds' poor service. Finally they feel they should be compensated for time taken off work to deal with Lloyds and its contractors.

In March 2023 our investigator considered the complaint. She looked at what had happened up until Lloyds' final response of October 2022. She explained claims of this nature tend to be involved, take time to resolve and are inconvenient for the policyholders. She agreed poor service had exacerbated this. But she felt the compensation Lloyds had already offered was a fair amount. Mr and Mrs P didn't accept that outcome. They feel the compensation isn't enough. So the complaint was 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.

In line with the investigator I've considered events up until the October 2023 final response letter. If Mr and Mrs P would like anything after that reviewed, they will need to refer a further complaint to this service.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr and Mrs P and Lloyds provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything provided – including Mr and Mrs P's response to our investigator's assessment.

Unfortunately, by their nature, claims of this type often involve inconvenience for the policyholders. I can't fairly require Lloyds to pay compensation for any that's directly caused by the original loss – the oil leak. However, I can do so where the insurer's poor handling of the claim or mistakes have caused unnecessary additional distress or inconvenience.

Lloyds accepted, in its final response letter, that it made various mistakes. I've also considered Mr and Mrs P's explanation of what went wrong – including delay, lack of communication and unnecessary involvement in the detail of the claim. They have explained

the impact on them – including extended loss of use of an area of their property, the hassle of dealing with the matter over an unnecessarily long time and extra time taken off work.

I accept Mr and Mrs P's account of events and the impact. I've considered their personal circumstances – including their health. I can see they have been caused unnecessary frustration and inconvenience over several months. However, I'm not going to require Lloyds to pay any additional compensation. I realise this will be frustrating for Mr and Mrs P, but I agree with our investigator that it's a fair amount to recognise the impact of Lloyds' poor handling of the claim between November 2021 and October 2022.

My final decision

For the reasons given above, I don't require Lloyds Bank General Insurance Limited to pay and additional compensation or to do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 2 August 2023.

Daniel Martin
Ombudsman