

The complaint

Mrs A complains about Lloyds Bank General Insurance Limited's (Lloyds) delays and service, following a claim under her home insurance policy.

What happened

Mrs A was having some building works done at her home, when her builders discovered that there had been a slow leak. She contacted Lloyds to make a claim. Mrs A described that following the claim Lloyds handled the claims process, very poorly on several levels. She complained to Lloyds, and it accepted that the standard of service that it offered was far below than it should've been. It offered and paid Mrs A, a total of £1,700, for the trouble and upset caused.

Mrs A was given her referral rights. And as she remained unhappy with the amount of compensation Lloyds paid, she referred a complaint to our service.

Mrs A said that her life had been badly affected, due to the poor service she experienced from Lloyds. In addition to the substandard work from the Lloyds contractors, Mrs A said that this whole event had been disruptive for all her family. She explained that it had caused issues with her neighbour (as the contractors had damaged their property). So, she sought a far greater amount of compensation and felt that compensation of well over £5,000, would be fair. So, she referred a complaint to our service.

One of our investigators considered the complaint and thought it shouldn't be upheld. He found that some of Mrs A's complaint was out of time and so was unable to consider it.

He said he had no doubt that Mrs A had experienced a poor level of service from Lloyds. Not least poor workman who caused further damage to her and her neighbour's properties. And that there had been some avoidable delays. He acknowledged that Lloyds had caused a lot of distress and inconvenience to Mrs A. And felt that Lloyds had accepted that the standard of service had been poor. However, he concluded that the amount of compensation that Lloyds had paid Mrs A (£1,700), was in line with our services guidelines. So, he was unable to recommend that it increase its offer further.

Lloyds accepted the view, Mrs A did not. She felt that the amount of compensation was paltry in comparison to the amount of distress and inconvenience that the whole event caused to her and her family, as well as to her neighbour. Although, Mrs A didn't disagree with the points our investigator made and considered, she felt that the compensation ought to be increased to adequately reflect the damage that was caused to her over the course of nearly a year. So, she 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, for much the same reasons as our investigator. I understand that this might be a disappointment to Mrs A, but I hope my findings go some way in explaining why I've reached this decision.

Our investigator raised and fully considered several points when he issued the view. Those points, I note Mrs A didn't disagree with. So, the main and only issue I think for this complaint is the level of compensation that Lloyds offered. Namely, £1,700, that Mrs A believed failed to adequately compensate her, for all the trouble and upset that was caused to her.

Mrs A accepted that some of her complaint couldn't be considered, as it had been brought to our service out of time. Lloyds issued its first final response on 4 May 2022. Mrs A had six months in which to refer the complaint to our service. This means she had until 4 November 2022. She did not refer this part of her complaint until 11 March 2023, which exceeded the six-month rule. Nor did she provide any exceptional circumstances, as to why I might be able to consider this part of the complaint. Additionally, Lloyds didn't give our service permission to look at this part of the complaint, that was referred out of time. Accordingly, I'm unable to consider any complaint issues from 4 May 2022 to 4 November 2022.

However, I am able to consider the complaints that were the basis of the subsequent final responses (dated 30 November 2022 and 23 February 2023) as they were referred to our service within the time limit.

Lloyds accepted that the level and standard of service that it provided to Mrs A was poor and it rightly compensated her for the errors it caused.

Both parties are fully aware of the extensive background to the complaint, so I don't intend to repeat this in full here. But for completeness the instances of poor service are outlined below:

- Lloyds appointed contractors caused damage to Mrs A's property, as well as that of a neighbour. Further leaks were caused to her home as a result of poor workmanship. And damage was caused to a neighbour's wall by the contractor drilling into it.
- The additional leaks caused by Lloyds' contractor led to loss of utilities for a day and night. There was also a slight delay in Lloyds rectifying the damage caused, but thankfully this was done the next day.
- Lloyds' contractor drilled through a neighbour's wall. This not only added further distress to an already stressful situation but led to Mrs A having a fractured relationship with her neighbour, as a result.
- There were avoidable delays during the course of the claim. Most notably between June and August 2022. When Lloyds failed to appoint a contractor on time. The reason it gave was due to an administrative error. Consequently, I'm satisfied that this was an avoidable delay.
- Mrs A experienced delays when choosing materials due to supply chain issues. I note that she also had to chase Lloyds to progress the claim.
- There were also a few dates when contractors scheduled work had to be adjusted. But there was back and forth between the parties. And on some occasions, I don't think that Lloyds were to blame. For instance, a contractor was ill on one occasion. And a dangerous emergency occurred at another property.
- But Lloyds did progress and actively worked on the claim. Although, there were delays and they did cause some inconvenience.

- I also understand that Mrs A was frustrated by Lloyds' actions. And I must say any claim of this magnitude is going to involve a homeowner in some inconvenience. So, it's not unique for claims of this nature, to take some time.

I've next considered whether the £1,700 paid is fair in the circumstances of this complaint. I'm fully aware and understand Mrs A's strength of feeling, the frustrations, distress and inconvenience she suffered from, as a result of Lloyds mishandling of her claim. But our service is tasked to consider the evidence presented by both parties on an impartial basis. And the standard we apply when assessing the merits of the complaint, is on a fair and reasonable basis. I should point out that as we're not the regulators we are unable to tell businesses how they operate. But where businesses make errors, we are able to award compensation. And we would say that the award would be fair overall, to put right the impact the mistakes have had on the consumer.

We are guided by our guidelines on amounts of compensation that we are able to recommend.

I'm acutely aware that Mrs A is seeking a far greater amount of compensation. Although she hadn't made a specific specification as to the actual amount she seeks, she's asked me to consider the constant disruptions caused, the damage to her home and that of her neighbours, the length of time it all took and the carelessness. So, I've carefully reviewed our guidelines on compensation.

I think Lloyds mistakes (the avoidable delays and poor workmanship), caused Mrs A sustained distress and severe disruption to her daily life, that typically lasted about a year. I ought to mention, that although the complaint can only consider the problems that Mrs A experienced from around November 2022 (therefore not quite a year) I'm satisfied that the impact of the mistakes, fits within this bracket. Consequently, I think Lloyds has been fair in its offer and payment of £1,700 compensation. I will explain why I think this is fair.

In order for me to consider a higher award, I would need to see evidence, that could include where the effects of the mistakes are irreversible or even had a lasting impact on someone's health. Mrs A hasn't provided me with enough evidence to support this.

I accept the frustrations and distress she experienced, but all of the work within her home has been completed. So, I can't agree that the mistakes made were irreversible.

Further, I haven't been provided with any medical evidence that supports that the mistakes made by Lloyds had a lasting impact on Mrs A's health.

In addition, although damage was caused to Mrs A's neighbour, I can't consider recommending compensation to reflect this, as Mrs A's neighbour cannot be considered an eligible consumer. In other words, they are not party to the complaint. In any event, Lloyds has confirmed that its contractor has now contacted Mrs A's neighbour to resolve any issues privately.

I acknowledge Mrs A's strength of feeling about this complaint and I do empathise with her position. I understand the reasons why she referred the complaint to our service. But, having applied our guidelines on compensation awards, I think that Lloyds acted fairly in offering and paying the £1,700. And I'm unable to increase the level of compensation as there isn't enough evidence to award a higher amount. Therefore, I'm not going to tell Lloyds to do anything further here.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 4 October 2023.

Ayisha Savage
Ombudsman