

## **The complaint**

Mr M has complained about the way Lloyds Bank General Insurance Limited handled his claim under his Home insurance policy for damage to his home and the fact it turned it down.

## **What happened**

Part of the flat felt roof on Mr M's home blew off in Storm Eunice in February 2022. This led to water getting into his bedroom ceiling and causing damage to it and to some of the walls and carpets. And to the floor. Mr M got a builder to put a tarpaulin on the roof as a temporary repair. And he put in a claim under his policy for the damage to the roof. He has said he told Lloyds he did not want to claim for the internal damage at this point. Lloyds asked Mr M to provide a quote for the repairs. It took him a while to get this from his builder, but he eventually provided it to Lloyds on 11 May 2022. He also provided a video of the damage to the roof and some photographs.

Lloyds told Mr M it was appointing a loss adjuster to investigate and consider his claim, who I'll refer to as H. H's surveyor came to inspect the damage on 30 May 2022. But he arrived without a ladder, so he couldn't get up to the roof. But he said he'd need the tarpaulin to be removed for him to inspect it. He also asked Mr M to provide the photographs he'd provided to Lloyds. Mr M also agreed to get his neighbour to remove some ivy growing on his property and said he'd liaise with his builder to arrange a time for him to visit with the surveyor from H and remove the tarpaulin, so the surveyor could inspect Mr M's roof.

It seems there was then some confusion over whether Mr M was to make this arrangement with his builder or whether H would do it. Mr M forwarded a further estimate for the repairs to his roof to Lloyds in September 2022. He's said he then had calls and emails from Lloyds asking him to make contact, but Lloyds did not say in these what it wanted and he didn't see a need to contact it, as he'd already provided all the information needed on his claim. He's said he did eventually contact Lloyds about its attempted contacts and then received an email asking why H's surveyor had not been able to inspect the internal damage to his home and asking if he could do this and inspect the roof at the same time with the tarpaulin removed. Lloyds also asked Mr M to provide the photographs that he'd already provided.

It's not clear from Mr M's timeline of events whether he responded to this email, although he has said he had no problem with the surveyor inspecting both the internal and external damage. Mr M had of course already sent the required photographs to both Lloyds and H by this time.

There were then various communications between Lloyds, H and Mr M, which culminated in a call by Mr M to H at the beginning of February 2023 in which it told him his claim had been repudiated. In the meantime, Mr M had contacted Lloyds for help with a better temporary repair, as water had come into his property again in heavy rain. He was given the number of a contractor to call, but never managed to make contact with them, despite his best efforts.

Mr M complained to Lloyds and it issued its final response on Mr M's complaint to him on 16 February 2023. In this it acknowledged there had been some failings on its part, which had

caused delays; and it said it would pay Mr M £1,000 in compensation for the distress and inconvenience he'd experienced because of these.

Mr M wasn't happy with Lloyds' response and asked us to consider his complaint about Lloyds. It had become clear by the time we got involved that Lloyds had repudiated Mr M's claim. So, our investigator checked with Mr M whether he wanted us to consider his complaints about the delay in dealing with his claim and Lloyds' decision to repudiate it. He said he did, and the investigator checked with Lloyds that this was acceptable. It confirmed it was happy for us to consider both aspects.

Our investigator concluded Lloyds' decision to refuse Mr M's claim was reasonable. But she didn't think it had paid enough in compensation for distress and inconvenience. She said Lloyds should pay a further £500.

Mr M didn't accept our investigator's view and asked for an ombudsman's decision. In summary, he thought Lloyds' should pay him a further £2,000 for the failings on its part when dealing with his claim. Lloyds didn't agree with it either; and thought the £1,000 in compensation it had already paid was enough.

I issued a provisional decision on 15 November 2023 in which I set out what I'd provisionally decided and why as follows:

*Having done so, I've provisionally decided to uphold it and make Lloyds settle Mr M's claim for the damage to his roof and his claim for internal damage if he wants it to do so. And pay him further compensation for distress and inconvenience. I've explained why below. As our investigator explained when I consider complaints about the rejection of a claim for storm damage, which is one of the insured events covered by Mr M's policy, I start by considering the following three questions:*

- 1. Do I agree that storm conditions occurred on or around the date the damage is said to have happened?*
- 2. Is the damage claimed for consistent with damage a storm typically causes?*
- 3. Were the storm conditions the main cause of the damage?*

*And I can see that Lloyds considered the same three questions. Both Lloyds and our investigator concluded the answer to questions 1 and 2 was 'yes'. So, I see no need to consider these further, as I agree with their views on this. Both Lloyds and our investigator thought the answer to question 3 was 'no'. However, I do not consider this is the right answer. I say this because I consider that, in light of Lloyds failure to carry out or arrange an actual inspection of the damage; and based on the evidence Mr M has provided, he has shown that it is more likely than not that a storm was the dominant and effective cause of the damage to his flat felt roof, to the ceiling and walls in his bedroom and to his carpets. Mr M has provided two estimates for repairs needed to his property from August 2021 and November 2021 and neither of these suggest the flat roof that is the subject of his claim was in a bad state of repair. In fact, I think they suggest it was in a fairly good state. The estimate from November 2021 states minor repairs were needed to the 'FLAT ROOF ABOVE FIRST FLOOR BEDROOM'. And, while Mr M has said this refers to the small roof above the front window, it does seem to suggest some minor repairs were needed to the larger flat roof above the bedroom. However, the reference to minor repairs does not suggest it was in a particularly bad state and had reached the end of its useful life. I do of course appreciate it was very old and that flat roofs generally have a limited life span. But this doesn't automatically mean that Mr M's roof was in a bad state and Storm Eunice simply highlighted an existing problem.*

*I am also mindful of the fact that there had been some storms in the UK in the months*

*preceding Storm Eunice. And that Lloyds hasn't provided any compelling evidence to suggest that water had entered Mr M's bedroom prior to Storm Eunice. In fact, I think the lack of evidence to counter Mr M's assertion that his roof was in a fairly good state of repair prior to Storm Eunice, and that it was only damaged because of this storm, is Lloyds' main problem in supporting the rejection of Mr M's claim. I think Mr M is right, that Lloyds should have properly investigated his claim by inspecting the damage. And if it had done this and put forward evidence following this inspection that the roof was in a poor state of repair I may have taken a different view. But Lloyds and H failed to arrange an inspection. And, while there were issues with Mr M's builder, I think H was quite capable of making the arrangements needed to carry out a proper inspection, bearing in mind the resources available to it. And I think Lloyds was wrong to turn down Mr M's claim without making sure the damage was inspected and a full surveyor's report provided. And, as far as I am concerned the evidence available suggests both Mr M's roof and internal parts of his home and his carpets were damaged by a storm.*

*It therefore follows that I think as part of the fair and reasonable outcome to Mr M's complaint, Lloyds should settle his claim for the damage to his roof. I am not sure whether Mr M has now had the roof repaired, as he was facing a challenge financially to fund it. But, in view of the length of time that has passed, I think Lloyds should settle his claim by paying the amount in the second estimate he provided for repairs, i.e. £5,429, which seems reasonable to me. I think Lloyds should add interest to this at 8% per annum simple from 1 July 2022 to the date of settlement. This is to allow for the fact that the cost of repairs may have gone up in this period and the possibility that Mr M has had to either use his own money or borrow money to fund the full repair or some temporary repairs. I have chosen 1 July because Mr M provided an estimate for the repairs on 11 May 2022 and I think it is reasonable to say Lloyds should have managed to arrange an inspection and agree his claim by the end of June.*

*I also think Lloyds should settle Mr M's claim for any internal damage caused to his bedroom, stairs and carpets if he wants it to. This is because I consider this occurred as a direct result of the storm and it is therefore covered by his policy. If Mr M has had repairs carried out or replaced his carpets, he will need to provide invoices to Lloyds for consideration. And Lloyds will need to add interest at 8% per annum simple on what it pays Mr M from the date Mr M paid for the repairs and/or replacement carpets. If he has not had the repairs carried out or replaced his carpets, Lloyds can either arrange for the necessary repairs and replacements and pay for them or ask Mr M to provide estimates, which it can use to work out the amount due to him.*

*I also agree with our investigator that Lloyds and H's handling of this claim has been poor and caused Mr M unnecessary distress and inconvenience. I think this was partly due to Lloyds and H asking for information Mr M had already sent and Lloyds asking him to contact it without making it clear why. It was also because it and H did not really take proper control of Mr M's claim. I think the extra £500 suggested by our investigator is fair for the general delays with the claim. But, because I actually think Lloyds should have accepted it, I think Mr M should also receive a further £1,000 for the additional distress and inconvenience he has experienced as a result of having to live with a damaged roof for a long period of time. This is because he has put up with this for a very long time, whilst struggling with some medical issues. And he also had the worry of his mortgage having come to an end and not being able to address this due to the repairs needed to his home.*

I gave both parties until 29 November 2023 to provide further comments and evidence. Mr M has provided the following further comments:

- I have based my suggested settlement on the second estimate he obtained, from a company I'll refer to as P. This company said they were too busy to do the work just

before his claim was repudiated by Lloyds. And he obtained a third estimate, which he never submitted to Lloyds. The estimate he accepted was from a company who I'll refer to as J for £5,400 including VAT. And he took a loan out with his local council at an interest rate of 4% to pay for this, which meant the repairs cost him £5,616 in total.

- He uploaded the video of his roof taken by the local fire brigade to Lloyds earlier than I suggested in my provisional decision. His roof was repaired in May 2023.
- He didn't reply to some of Lloyds emails as it became clear that – even if he did – it would just repeat its previous requests.
- Lloyds never actually informed him of its decision to repudiate his claim.
- He wasn't going to claim for a new carpet originally, as he was going to replace the downstairs carpet anyway. But he is happy to have his claim for the bedroom and stair carpets paid. He paid just over £700 to have all his carpets replaced and he considers £250 would be a fair proportion of this for the bedroom and stair carpet.
- The bedroom floorboards were damaged by the water entering his property and he paid £93 including VAT to replace them.

Lloyds has responded to say it doesn't agree with my provisional decision. It's provided a comprehensive report, which it thinks shows that Mr M's roof was in a poor state of repair prior to the damage he has claimed for. And it does not think the damage he has claimed for is consistent with storm damage. In the report it has highlighted various issues that it thinks supports its view. It has also said its loss adjuster was unable to inspect the roof because of the temporary repairs that had been carried out. It's also said the level of rainfall in the weeks and days leading up to the damage Mr M has claimed for did not meet its criteria for a storm. It's also suggested the poor state of the roof meant it had retained water over a period of time, which eventually escaped due to this build up and the weight of the water. Finally, it has highlighted the condition in Mr M's policy, which required him to maintain his home in a good state, which it does not believe he did.

### **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, it remains my view that it should be upheld for the reasons set out in my provisional decision.

I have of course fully considered Lloyds' further comments and evidence. And I now accept Mr M's roof was not in a particularly good state. But I do not believe it was bad enough for me to say he breached the abovementioned policy condition about maintaining his property in a good state. I say this, because he had had some temporary repairs carried out to the roof over the years and – as I see it – he had no reason to think it was failing.

And, while I accept it wasn't in particularly good condition, which was a factor in it failing during the storm, I still believe the storm was the dominant and effective cause and I do not believe the roof would have failed any time soon after the time that it did. i.e. I think it would have remained intact and – essentially – doing its job for a reasonable period. The storm conditions at the time of the damage were extreme and I think the nature of the damage shows that the storm force winds got under the felt and ripped it off. And, for me, this is storm damage and what Mr M was insured against.

I have noted Lloyds comments about the level of rainfall, but I am satisfied that it was the storm damage to his roof that was the proximate cause of rain entering Mr M's property. I am not persuaded that the colour of the water in itself proves this wasn't the case. I agree that there may have been some moisture in Mr M's roof and this may have impacted the colour of the water that entered his property. However, there is no evidence to suggest water had

entered Mr M's property before the storm. So, for me, the colour of the water that did after the storm does not alter the fact that the dominant and effective (proximate) cause of this was the storm.

Also, it remains my view that the investigation carried out by Lloyds' loss adjuster was poor. I appreciate when he first attended the loss adjuster could not inspect the roof due to the temporary repairs. But he had plenty of opportunity to make sure he could do so before he visited or to liaise with the builder who had done the temporary repairs and arrange for him to remove the tarpaulin.

I've noted Mr M's comments and I appreciate him for clarifying some things. I agree it would be fair and reasonable for him to be reimbursed what it cost him to have his roof repaired, including the interest on the loan he took out. I also agree he should be reimbursed what he's suggested for his bedroom and stair carpet and bedroom floorboards.

In summary, I see no reason to alter the view I set out in my provisional decision that Lloyds should meet Mr M's claim, although the amounts I am going to make them pay for the repairs will be slightly different due to the information provided by Mr M in response to my provisional decision.

It also remains my view that the poor handling of Mr M's claim by Lloyds and its agents does warrant the further payment I suggested in my provisional decision for distress and inconvenience.

### **Putting things right**

For the reasons set out above and in my provisional decision, I've decided to uphold Mr M's complaint and make Lloyds do the following:

- Settle his claim for his roof by paying him £5,616.
- Settle his claim for the internal damage to the ceilings, walls and decorations of his home caused by water damage if he wants to claim for this. And add interest at 8% per annum simple to the amount due to him if he has already paid for the repairs from the date he paid it to the date of actual payment<sup>1</sup>.
- Pay him £250 for the replacement of his bedroom and stair carpet, plus interest at 8% per annum simple from the date he paid for the carpet to be replaced to the date of actual payment.
- Pay him £93 for the replacement floorboards in his bedroom, plus interest at 8% per annum simple from the date he paid for them to the date of actual payment.
- Pay him a further £1,500 in compensation for distress and inconvenience.

### **My final decision**

I uphold Mr M's complaint and order Lloyds Bank General Insurance Limited to do what I've set out above in the 'Putting things right' section.

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<sup>1</sup> Lloyds Bank General Insurance Limited must tell Mr M if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Mr M if asked to do so. This will allow Mr M to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 January 2024.

Robert Short  
**Ombudsman**