

The complaint

Mr L and Mrs G complain about Lloyds Bank General Insurance Limited's handling of a claim under their home insurance policy.

Mr L and Mrs G bought their policy through an insurance intermediary, however Lloyds is the underwriter (the insurer) so their complaint is against Lloyds. However, the complaint concerns the actions of the intermediary and its contractor. Lloyds has accepted it is accountable for the actions of the intermediary, so any reference to Lloyds in my decision includes the actions of the intermediary.

Also, both Mr L and Mrs G are named policyholders on their Lloyds policy, so any claim or complaint is brought by them both. But for simplicity, and because most of the information about the complaint has been provided by Mr L, I'll refer mainly to Mr L from here onward.

What happened

Mr L and Mrs G had a home insurance policy unwritten by Lloyds, bought through an intermediary. In May 2022, they discovered an escape of water from their bathroom and reported this to Lloyds. In early August 2022, Mr L sent Lloyds his plumber's quote for repairs. He also said his plumber believed the leak was coming from the shower waste pipe. Lloyds referred the claim to one of its agents.

Lloyds' agent visited Mr L's home on 9 August 2022 to make an initial inspection. The agent told Mr L his policy didn't cover the damaged pipe, but it did cover the resulting water damage (for example, redecoration costs), subject to a £500 policy excess.

Lloyds instructed a contractor to carry out trace and access work to confirm the source of the leak. The contractor's report concluded the leak was from the shower waste pipe. He couldn't determine the cause of leak but suspected "*shower seals may have worn away*".

However, Mr L discovered a second leak the same day the contractor carried out his trace work. He believes the contractor caused this and later complained about Lloyds' handling of his claim.

Lloyds upheld part of Mr L's complaint. It said, in summary:

- Its agent initially quoted an incorrect policy excess for the trace and access work.
- The contractor's report said he'd carried out a pressure test on the waste pipe, but this was wrong.
- It took too long to send Mr L the thermal image taken by its contractor.

Lloyds offered Mr L £200 to apologise for these failings. However, it didn't accept that its contractor caused the second leak or that its agent had been unprofessional.

Mr L didn't accept these findings and brought his complaint to this service. He wants Lloyds to refund the costs he incurred repairing the damage to his bathroom (approximately £6,400) and the policy excess for the trace and access work (£100).

Our investigator didn't recommend that Mr L's complaint should be upheld. He accepted Lloyds' explanation that its contractor ticked the wrong box on his report and hadn't carried out a pressure test. He found no evidence the second leak was caused by Lloyds' contractor and was satisfied that its apology and £200 offer to reflect poor service was fair.

Mr L disagreed with our investigator, so the case was passed to me to make a final decision.

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.

Mr L's policy documents show he's not covered for the broken pipe. For example:

- Page 7 of his policy booklet ('Got a water leak?') says: *"If you have a leak from an appliance or pipe, we don't cover plumbing costs for repairing the leak itself (unless the pipe is frozen, or the damage was accidental and you have 'Buildings – Accidental damage cover'). But we do cover the repair costs for any water damage to your home...."*
- His Insurance Policy Information Document (IPID) gives examples of damage that isn't covered by his policy, including *"Wear and tear... or loss or damage that happens over a period of time."* The contractor believed the shower seals were worn. If this is correct, I think worn shower seals might reasonably be considered wear and tear or damage that happens over time.

So I'm satisfied that Mr L's policy doesn't cover him for the original bathroom leak. Lloyds' internal notes show that its agent explained this to Mr L. Emails also show that the agent told Mr L the cost of repairing the water damage was relatively small, so he'd need to decide whether it was worth making a claim given the £500 policy excess.

Mr L's policy schedule shows he had trace and access cover, subject to a £100 policy excess. Lloyds contractor visited Mr L's home to carry out this work on 30 August 2022.

I understand why Mr L might think the second leak – discovered the same day as the contractor's visit – was caused by the contractor's trace work. However, Lloyds says the trace work carried out by its contractor was *"non-obtrusive"* and couldn't have caused further damage. Its notes show the contractor poured hot water down the pipe to pinpoint the source of the leak. I'm not an expert, but I think it's unlikely that this would have caused a new leak; at worst, I think it would simply expose existing damage.

More importantly, Mr L hasn't provided any evidence to show the contractor's actions caused the second leak, such as a report by his own expert identifying the source and cause of the leak. Lloyds' says the contractor made a mistake when he ticked a box on his report to say he'd carried out a pressure test. However, Mr L hasn't shown how a pressure test might have caused the second leak. Without this sort of evidence, I can't reasonably conclude that Lloyds' contractor caused the leak or that it should be covered by Mr L's policy.

I also think it's worth noting that the repairs and costs claimed by Mr L are broadly consistent with the initial quote by his plumber. This quote was at least a month before the second leak happened, and repairs would have included lifting the bathroom floor to fix the waste pipe. I've already explained that Mr L's policy doesn't cover him for this, and it's not clear to me what additional damage was caused by the second leak.

Mr L has also argued that Lloyds breached its contract with him because its contractor didn't cut out a section of his ceiling as part of the trace work, as Lloyds' agent proposed. I don't

agree. It's clear from Mr L's emails with Lloyds that he didn't want the contractor to cut a larger hole in his ceiling. In any case, I don't think this would have made a difference to his claim. Mr L's plumber identified the source of the leak and this was confirmed by Lloyds' contractor. As I've said, repairs to the waste pipe aren't covered by his policy.

Finally, Lloyds contractor carried out the trace and access work and confirmed the source of the leak. I don't think it would be reasonable for me to ask Lloyds to refund the policy excess for this work.

I know Mr L and Mrs G will be disappointed by my decision, but I'm satisfied that the original leak isn't covered by their policy and I've seen no evidence that Lloyds' contractor caused the second leak. I think Lloyds' response to Mr L's complaint was fair and I'm satisfied that its offer of £200 to apologise for its poor service is reasonable. I leave it to Mr L and Mrs G to decide whether they want to accept this.

My final decision

My final decision is that I don't uphold the complaint because I think Lloyds' offer is fair.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr L to accept or reject my decision before 14 November 2023.

Simon Begley

Ombudsman