

The complaint

Mr and Mrs T's complaint is about the handling of their contents insurance claim by Lloyds Bank General Insurance Limited.

What happened

Mr and Mrs T reside between two properties, one abroad and one in the UK. The UK property is insured under the policy with Lloyds.

In early March 2023, Mr and Mrs T registered a claim under their policy with Lloyds, as they said the property had been burgled and £15,000 cash was stolen.

Lloyds asked Mr and Mrs T for more information to assess the claim. Lloyds asked for evidence of ownership of the £15,000, where it had come from and why it was in the property. As Mr and Mrs T had said they had been away and so could not be sure when the burglary occurred, Lloyds also asked for evidence that the UK property had not been left unoccupied for more than 60 days in a row, as the policy was issued on the basis it would not be left unoccupied for this long. Lloyds also later asked for information about other possible occupants of the property and business activity there.

Mr and Mrs T provided some travel documents and bank statements in response. Lloyds said these did not establish ownership of the cash or that they had been occupying it for the periods required by the policy. It said it could not progress the claim based on the information provided and asked for further information.

Mr and Mrs T were unhappy with this and brought a complaint to this service. I issued a final decision on that complaint about the handling of the claim up to the date of Lloyds's final response letter in April 2023. I determined that Lloyds was entitled to ask for the information it had and that there was enough evidence to substantiate the claim.

Since then Lloyds told Mr and Mrs T that the cash limit on the policy was £500 in any event, so that would be the most it would pay but it also subsequently declined the claim for the cash as it said Mr and Mrs T could not substantiate ownership and loss of the £15,000 cash and occupancy of the UK property as required by the policy.

Mr and Mrs T told Lloyds they also wanted to make claims for water damage to their property, a lost watch and a legal expenses claim.

Lloyds said it would not be able to consider any further claims until it could establish that they were eligible for the policy. So it still required information about occupancy of the UK address.

Lloyds also told Mr and Mrs T that it was not the provider of the legal expenses cover and they would need to contact the agents that deal with the legal expenses insurer about any legal expenses claim they wanted to make.

In October 2023, Mr and Mrs T brought another complaint to this Service about these issues.

I have considered everything they have said in support of their complaint but have summarised the main points below:

- Lloyds changed the policy a month secretly after she claimed for the stolen cash. The policy had previously covered £50,000 but it was reduced without their knowledge or consent to £500 limit for cash.
- This is insurance fraud, as they were paying for the policy not knowing and agreeing what was being paid for.
- Lloyds also delayed the claim for over a year before telling them the limit had been reduced to £500.
- Lloyds spied on their company, refused to take police and video evidence and were biased in favour of their building management company.
- It is difficult to reach Lloyds by phone and its staff have been threatening and bullying and rude and nasty to them on the phone.
- Lloyds refused to consider claims for legal expenses, water damage and a lost watch.

Mr and Mrs T want a refund of 24 years' worth of premiums, payment of £500 being the 'new' cash limit for the stolen cash and the other claims dealt with.

Lloyds has also made a number of points in support of its position. I have considered everything it has said but have summarised the main points below:

- In 2022 the policy migrated to a new product, as it was no longer offering the previous policy. Details of changes were provided to customers at the time, including Mr and Mrs T, but in any event the limit for cash in the home was the same - £500 under both policies.
- The changes to the policy were compliant with Financial Conduct Authority rules and regulations.
- It needed substantiation of the ownership of the £15,000. Mr and Mrs T provided bank statements showing "*general wealth*" but this is not enough to explain where it had come from and why it was kept in the flat while they were away.
- Even if the ownership of the cash and its loss had been established, it still requires information from Mr and Mrs T about occupancy of the UK insured property, to establish they are eligible for the policy.
- It did not refuse to consider the new claims (for water damage and the watch). They would have been logged and assessed if Mr and Mrs T had provided the information about occupancy that it had repeatedly asked for.
- It is not the provider of the legal expenses cover, so would have no involvement in any legal expenses claim.
- Its case-handlers have not been nasty or rude.
- Whilst public domain searches were conducted, no "*spying*" has taken place and it is for it to decide what evidence it seeks in assessment of claims; it won't look to undertake enquiries if it doesn't believe they add value to our handling/decision making.
- It has not acted in a fraudulent manner or breached contract terms.
- No contact was made with anyone associated with the building the insured address is part of (though it'd be within its rights to conduct enquiries if it thought it was necessary and appropriate).
- It said it had listened to a phone call in June 2023, which Mrs T had specifically complained about, which was challenging but the representative was polite and professional throughout.

One of our Investigators looked into the matter. She did not recommend the complaint be

upheld, as she was satisfied that Lloyds had not acted unfairly to unreasonably.

Mr and Mrs T do not accept the Investigators assessment. They have said they did respond to Lloyds's requests for information and sent travel information, photos of the water damaged furniture and the box the watch was in.

As the Investigator was unable to resolve the complaint, it has been passed to me.

Mr and Mrs T have asked that I contact them before issuing my decision to confirm the complaint and for copies of everything sent to me by the Investigator.

Deciding ombudsmen don't routinely talk to either party to the complaint, as fairness would usually require that both parties be involved in any discussion at the same time. We may decide it is necessary to do so, if there is information that is unclear or a dispute about the facts of the case that we consider can only be clarified by discussing it with the parties. Mr and Mrs T have made their case clearly to the Investigator and I have been provided with all the correspondence and communications between them and Lloyds. Everything provided to us by both Mr and Mrs T and Lloyds is added to their complaint file and I have access to everything on it. So all the emails Mr and Mrs T have sent the Investigator are on the file. The evidence and positions of both parties is sufficiently clear and so I don't consider it is necessary to discuss this case with the parties in order to fairly determine the matter.

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.

Legal Expenses claim

Mr and Mrs T's home insurance policy has legal expenses insurance as an 'add-on'. Lloyds is not the underwriter of the legal expenses part of the policy cover. Mr and Mrs T say the provider of the legal expenses cover changed but in any case they were told they had to claim through Lloyds, as it takes the premium. I have not seen any convincing evidence to support that they were told this by Lloyds.

Lloyds does not provide the legal expenses insurance and it is handled on behalf of the underwriter by specialist legal expenses claims-handling agents. The policy document sets out clearly how to make a claim under the legal expenses section of cover and the claims number and contact details are different from those provided to make claims under the parts of the policy underwritten by Lloyds.

Mr and Mrs T are free to contact the relevant underwriter to lodge a claim if they still wish and I have seen no evidence that Lloyds has sought to prevent them doing so in any way.

Cash limit and policy wording

Mr and Mrs T's policy changed in 2022. Lloyds says the new terms and notification of changes were provided to Mr and Mrs T. I have no reason to doubt that. Mr and Mrs T may not have been aware of any changes but that is not due to anything Lloyds did wrong.

In addition, I can see that the cash limit was always £500. So I am satisfied that Lloyds provided correct information about the cash limit and as already determine in my previous decision, this is the limit that was in place at the time of the alleged loss claimed for, so I do not think Lloyds made changes to the policy as a result of this claim or that the changes were untoward in any way.

Mr and Mrs T also say it took Lloyds a year to tell them that the limit for cash was £500. The cash limit was set out in the policy documents sent to them at renewal. Again, while they may not have realised the limit was £500, any misunderstanding about this was not due to anything Lloyds did wrong. And even if Lloyd should have pointed this out to Mr and Mrs T earlier in the claims process, it has not made any difference to Mr and Mrs T's position.

Claim for stolen cash

It is for a claimant to establish their claim. This means in the context of this case that Mr and Mrs T have to prove that they owned and possessed the £15,000 cash for which they are claiming and that it was stolen in circumstances covered by the policy. There are terms in the policy which reflect this but even if there were not, this is a matter of general insurance law.

So in order to be satisfied that Mr and Mrs T owned the cash and it was in the property as claimed, Lloyds asked them to provide evidence in relation to that.

Mr and Mrs T provided some bank statements but no evidence as far as I am aware of withdrawal of that amount of cash, or receipt of that amount of cash from another party. I can see Mrs T told Lloyds she withdraws lots of cash often, for shopping and on one occasion said that she had brought it to the UK from another country (not either of the places of residence).

Lloyds said that none of the information established ownership of the £15,000 and I am not persuaded that this is unreasonable.

Lloyds also asked for evidence about how the theft occurred – whether there was damage to the points of entry and a police report. As far as I am aware, no evidence has been provided to substantiate the theft, or when it occurred, and no proof that the police have recorded it as a crime.

Having considered everything carefully, I do not think Lloyds has acted unreasonably in not paying any amount for the cash claim.

Enquiries

I previously determined that Lloyds was entitled to make the enquiries they did up to April 2023. Mr and Mrs T have also now said they spied on their business. Looking at information that is in the public domain, such as on Companies House or the electoral roll, is not unreasonable.

I have not seen any evidence that any enquiries made since April 2023 have been unreasonable.

In August 2023, Lloyds provided clarification of the evidence it wanted to prove Mr and Mrs T's occupancy of the insured property to meet the terms of the policy. As this is relevant to the issue of cover, Lloyds is entitled to this information.

Mr and Mrs T have provided some evidence of travel to and from the UK but not enough evidence that the property was not left empty for more than 60 days.

Water damage and watch claim

Lloyds has said it would have assessed these claims if the evidence of occupancy was provided. As it has not had that evidence, I do not think it is unreasonable not to proceed with these claims, as there would be no cover.

Other matters

Mr and Mrs T also complaint that Lloyds's representatives have been rude and threatening. I have seen no evidence to support this.

Having considered everything, I do not consider that I can reasonably ask Lloyds to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 8 April 2024.

Harriet McCarthy
Ombudsman