

## **The complaint**

Mr L and Mr P are unhappy Lloyds Bank General Insurance Limited (Lloyds) has declined a claim made under their home insurance policy.

## **What happened**

Mr L and Mr P insure their buildings and contents with Lloyds.

In July 2023 Mr L and Mr P discovered a valuable watch was missing from their home, so they made a theft claim to Lloyds.

Lloyds asked questions about the theft, and Mr L and Mr P explained possibilities of how the theft could have occurred. Following discussion with Mr L and Mr P, Lloyds ultimately declined the claim as they said theft by guests invited into the home was excluded.

Mr L and Mr P complained to Lloyds and as they remained unhappy, they approached this service.

One of our investigators looked into things but he didn't uphold the complaint. He said that on the balance of probabilities the theft was by a guest who was invited into Mr L and Mr P's home, and that was an exclusion under the policy. So, he didn't recommend Lloyds do anything further.

Mr L and Mr P didn't agree and asked for a final 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.

Firstly, I'm sorry to hear of the situation Mr L and Mr P have found themselves in, they are the victims of a theft of both a sentimentally and financially valuable watch. But whilst they have my sympathies, having considered all the information provided, and whilst I appreciate it'll come as a disappointment to them, I've reached the same outcome as our investigator.

In July 2023 Mr L and Mr P discovered their watch was missing. The watch wasn't worn often and was kept in a drawer in the bedroom. After realising it was missing, Mr L and Mr P searched their home but were unable to locate it.

They contacted Lloyds to make a claim for the missing watch. Mr L and Mr P considered when the watch could have been taken from their home. Their house is always locked and alarmed when they leave it, and they hadn't been broken into since last seeing the watch two months before discovering it was missing.

Mr L and Mr P considered when the watch potentially could have been taken. During initial discussions with Lloyds, they said they had an open house garden party (in the park across the road) in which guests had access to their home via a key to be able to use their

bathroom. At the party, some of their guests had also invited guests, so there were three or four people attending who Mr L and Mr P didn't know, who also had access to the key and their home.

Mr L and Mr P's cleaners also had access to their home, but only whilst Mr L and Mr P were present. Mr L and Mr P initially thought that it was most likely one of the unknown guests stole the watch during the garden party.

Lloyds declined the claim on the basis of the following exclusion:

*"We won't pay claims for your contents:*

- If something's stolen by a guest you or your family invited into your home."*

Mr L and Mr P explained that they didn't know who was responsible for theft, and they were presenting possible explanations, but they couldn't be 100% sure.

Mr L and Mr P also said it was very possible that one of the guests using the bathroom during the garden party could have left the front door ajar, and someone walking past who wasn't present at the garden party could also have accessed their property and stole the watch. Mr L and Mr P said the Police advised this also could have been a possible option, rather than one of their known guests stealing it.

I do appreciate the difficulties Mr L and Mr P face here. They don't know when the watch was stolen, or who by, so they have presented possibilities that *could* have occurred, but they have no way to know for certain.

As explained by our investigator, where we have incomplete or unknown information surrounding what exactly occurred, I'll reach my decision on the balance of probabilities, that is, what I think is more likely to have occurred than not.

Mr L and Mr P say that they trust their cleaners and have had the same cleaners for several years, and cleaning is only carried out whilst they are present. And they say it's unlikely the same cleaner would steal an item several years down the line, but equally it is a possibility and couldn't be ruled out 100%. A theft by the cleaners wouldn't be covered under the terms. I also think, for the same reasons presented by Mr L and Mr P, on the balance of probabilities this isn't the most likely scenario to have occurred.

Mr L and Mr P say someone could have accessed their home if one of the guests at the garden party left the door slightly ajar. I accept this is a possibility and could have occurred. But there is no firm evidence in support of this, such as Mr L and Mr P finding the door open at any point, or the discovery of anyone not attending the party accessing the property. So, whilst it is a possibility, I don't think on the balance of probabilities this is the most likely scenario to have occurred either.

Having considered the presented scenarios on the balance of probabilities, Mr L and Mr P gave unsupervised access to their home via a key to guests at their garden party. Some of the guests brought guests unknown to Mr L and Mr P. They also had access to their home via the key, unsupervised, to use the bathroom on the same floor as the room in which the watch was stolen from. And Mr L and Mr P confirmed the bedroom door was ajar as it was a warm day, and it's possible the watch was on, rather than in, the dresser at the time. On the balance of probabilities, I think this is the most likely scenario of how the theft occurred. And as there is an exclusion for theft by guests invited into the home, on the balance of probabilities, I don't think Lloyds has acted unfairly by declining the claim.

I do recognise that Mr L and Mr P feel that Lloyds' claim decision was made too early and prior to them speaking to the Police. But Lloyds was taking into account the information and scenarios Mr L and Mr P had provided and considering those against the policy terms. Even if they awaited the Police speaking to Mr L and Mr P, I don't think the position would ultimately have been any different, as I think on the balance of probabilities of what scenario most likely occurred, the overall outcome reached was fair.

### **My final decision**

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mr P to accept or reject my decision before 9 January 2024.

Callum Milne  
**Ombudsman**