

## **The complaint**

Mr and Mrs G complain Lloyds Bank PLC mis-sold legal expenses insurance (LEI) in connection with a home insurance policy.

Because Mr G is leading on this complaint, I've referred to him throughout my decision.

## **What happened**

The circumstances of this complaint are well-known to both parties, so I've summarised events.

- Mr G took out a home insurance policy with Lloyds. He added LEI cover at the same time. Mr G tried to make a claim on his LEI policy, but it was declined by the policy's insurer.
- He complained to Lloyds saying the claim had been unfairly rejected. He said Lloyds hadn't told him LEI was provided by a separate insurer. Nor had Lloyds told him the insurer had changed during the life of the policy – and so, he considers Lloyds to have mis-sold him the policy and it should cover the costs he's incurred in pursuing a legal claim.
- In its final response, Lloyds said the policy was applied for online and was sold on a non-advised basis. It said the policy documents clearly set out who the LEI insurer was and that this information had been sent to Mr G.
- Mr G disagreed. He said the policy was taken out during a telephone conversation.
- Unhappy, Mr G brought a complaint to this Service. An Investigator considered it but didn't uphold it. Because Mr G remained unhappy the complaint has been passed to me for 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.

Having done so, I'm not upholding this complaint and I'll explain why.

- It's important to clarify the LEI insurer's decision to decline Mr G's claim, is separate to the issue I'm considering here, which is whether Lloyds' – as the seller of the policy - mis-sold LEI cover in connection with Mr G's home insurance policy.
- The parties dispute how LEI cover was taken out. Mr G said he took the policy out over the phone – both when he first applied for it and at renewal. But Lloyds say it was an online application.
- Mr G has provided dates for when he considers the calls with Lloyds to have taken

place – along with the names of the persons he says he spoke to. Having looked at the dates of these calls, I note they occurred after the date the policy was taken out and subsequently renewed. So, I'm not persuaded this proves the policy was taken out over the phone.

- Lloyds has provided information to support the policy was taken out online, and so, I'm satisfied this was the most likely way. Lloyds has explained that advice wasn't given during the online application – and in the absence of evidence which suggests otherwise, I'm satisfied the policy was purchased on a non-advised basis.
- Where a policy is sold on a non-advised basis, the duty on the seller is to make sure the consumer is given enough information that is clear, fair, and not misleading so they can make an informed choice about whether the policy is right for them.
- I've looked at the policy documents which were sent to Mr G as part of his 'welcome pack'. I note the LEI insurer's details are set out on page 5. So, I'm satisfied the details of the LEI insurer were made clear at the time of sale.
- Lloyds has explained that it changed LEI insurer and said this was explained to Mr G in his offer of renewal documents in 2022. I've looked at this document and it says on page two

*"From your renewal date your Legal Expenses provider will be changing. Details of the new provider, changes to your cover and the new terms and conditions are included in this pack. You should read these in full."*

- To draw this change to Mr G's attention, Lloyds included it under *"things you should know"*, highlighted in green "changes to your legal expenses provider" and enlarged the font. So, I'm satisfied Lloyds suitably brought information about the change in LEI insurer to Mr G's attention.
- Finally, I've looked at the correspondence address on the welcome pack and renewal letter and can see these was sent to the correct address.
- Overall, I'm satisfied Mr G received enough clear information about the insurer of the LEI policy to allow him to make an informed decision as to whether he wanted to continue with the policy at the time of taking it out and renewal. So, I'm not persuaded the policy was mis-sold.

### **My final decision**

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 G and Mr G to accept or reject my decision before 5 September 2023.

Nicola Beakhust  
**Ombudsman**