

The complaint

Mr and Mrs T complain that Lloyds Bank General Insurance Limited (“Lloyds”) declined a claim they made on their home insurance policy after they lost some rings.

For ease of reference, and as he’s been most involved with this complaint, I’ll refer to Mr T throughout my decision.

What happened

Mr T has a home insurance policy with Lloyds. The policy provides cover for both buildings and contents.

Mr T made a claim for three lost rings to Lloyds. He says the claim was immediately declined on the basis the rings had been misplaced rather than lost. Mr T says Lloyds fixed on the idea that Mrs T removed her rings at home, before they couldn’t be located.

Mr T says Lloyds failed to consider that the rings may have been removed and then taken out of the house, as they were only in the house for a short period of time. Mr T says Lloyds also didn’t consider the rings could have been accidentally thrown out.

Mr T wants Lloyds to accept its liability and settle the claim. So he complained.

Lloyds said it was established the rings were missing between Mr T’s house and a family member’s house. It said the onus is for the customer to show they have a valid claim that is covered under an insurable peril. Since it’s uncertain what happened to the rings, it is not known whether an insured event has occurred. Lloyds said it can’t cover an item which may later be recovered in the home. So it maintained its position.

Mr T didn’t agree so he referred the complaint to this service. One of our investigators looked into things for him. She said she didn’t think Lloyds acted unreasonably or unfairly in declining the claim. She said based on the evidence provided by Mr T she thought it was fair that Lloyds considered the rings were misplaced in the home rather than lost elsewhere. So she didn’t uphold the claim.

Mr T didn’t agree with the investigator’s view. He said he’d been consistent with his evidence and went into great detail about his movements with Lloyds in an attempt to demonstrate what may have happened to the rings. Because Mr T didn’t agree the complaint has come to me to decide.

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.

I can see that this incident and its consequences have had a significant impact on Mr and Mrs T. I’ve no doubt that Mr T has done all he can to try and prove the claim and has acted in good faith when reporting the matter to the insurer. I can understand why they thought

their testimony would be enough to show the rings were lost, and when the claim was declined I think this would have both shocked and upset them.

I'd like to start by assuring both parties that I've considered all the information provided to me as well as testimony from both sides; including Mr T's response to the investigator's view. But I've only commented on what's relevant to the outcome of this complaint.

Having considered all the evidence I'm not upholding Mr T's complaint. I appreciate Mr and Mrs T have experienced a difficult time and this isn't the answer they wanted; I empathise with the position they now find themselves in. So I will explain my decision below.

My role here is to look at whether Lloyds declination of the claim was fair and in line with the terms of the policy. I have read the policy terms to understand the cover provided. The policy covers buildings and contents if they're damaged by certain insured events such a fire or flood. There is also cover for lost items.

In the specified items cover of the policy it says, *"We'll pay claims if the items named on your policy schedule are lost, stolen or damaged."*

When considering this claim I've started from the general principle that where a policyholder makes a claim for loss, the onus in the first instance is for them to show there's been an insured event that is covered under the terms of the policy.

On considering the evidence provided by Mr T I'm not persuaded he has shown an insured event has occurred. They noticed the rings were missing on 23 or 24 May, initially they thought they were lost in the home. On 23 May they'd been to a restaurant, and so checked they hadn't gone missing there. They'd also been to see family but the rings weren't there. It was thought the rings had been left at home, and when Mrs T went to a relative's house it was pointed out she wasn't wearing the rings there. Mrs T thought she'd taken them off at home but couldn't remember where she put them down. Mr T explained Mrs T never took the rings off when she was outside the home. But that they'd checked in case they'd been dropped.

So, there is nothing to substantiate when and where the loss occurred. It isn't definitely known if the rings were dropped outside the home and picked up by someone else, thrown out with the rubbish, or if they've fallen behind some furniture in the home. It is also not definitely known whether they've been stolen, by whom, or when this happened. And in the absence of any evidence I can't say it's fair to ask Lloyds to pay the claim. I think Lloyds has acted reasonably to assume the loss was in the home. I think this carries more weight than the later testimony that the rings could have been dropped outside or thrown out; since both of these possibilities weren't likely by Mr T's own admission.

I've listened to that initial call. When the claim was made Mr T explained the rings were likely lost somewhere in the house. For clarification the agent asked specifically if the rings had been taken off within the home and they couldn't be found. Mr T provided positive confirmation and said he thought that was what happened. The agent explained that if the rings were lost within the boundaries of the home Lloyds classed that as misplaced rather than lost.

Insurance policies don't cover every eventuality. The insurer is free to decide what cover it's prepared to offer and ultimately what risks its willing to accept. I've considered whether I think Lloyds has declined the claim fairly based on its assessment that the rings are likely to be in the home. And I think it has.

Therefore I think Lloyds has acted fairly. It has used the details provided from the claim to validate it and has made a reasonable decision in conjunction with the terms and conditions of the policy.

My final decision

For the reasons explained above I'm not upholding 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 12 December 2023.

Kiran Clair
Ombudsman