

The complaint

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

What happened

Mrs T owns a property abroad and one in the UK. The UK property is insured with Lloyds.

In early March 2023, Mrs T registered a claim under her policy with Lloyds, as she says her property was burgled. Mrs T says £15,000 cash was stolen. Mrs T told us this happened in September 2022 or February 2023 and she did not notice this initially, as she lives between two properties.

Lloyds confirmed there was potentially cover under the policy for the claim and asked Mrs T for more information to assess further. In particular, Lloyds 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 asked for more information about where the cash had come from and why it was in the property.

Mrs T provided some travel documents and bank statements in response. Lloyds said these did not establish that Mrs T, or her husband, had been occupying the flat between September 2022 and February 2023. It said it could not progress the complaint without that information. It also said again it needed further information to substantiate the loss. Lloyds said Mrs T had initially said the money was taken from a wardrobe in the overseas property and documents taken from the UK property but later that the cash was taken from the UK property.

Mrs T is very unhappy with the handling of the claim. She says Lloyds employees have been guilty of fraud and bribery and have been offensive towards her. Mrs T says she provided evidence of travel between the two properties and that she had been at the UK address from September 2022 to January 2023 but it is irrelevant anyway, as the theft happened in September 2022.

Mrs T brought her complaint to this service. When she first brought the complaint, Lloyds had issued a final response to her complaint, in April 2023, stating it could not proceed with her claim unless it received the information it had asked for. Since the complaint was with us, Lloyds has declined the claim, as it said there is a lack of evidence about the theft or to substantiate the cash loss. Lloyds also cancelled the policy as it says it has not been able to establish that Mrs T is eligible for cover (as it cannot prove she does not leave the property unoccupied for more than 60 days at a time).

Mrs T is unhappy with this and has also referred to water damage to her property, carpets and furniture as a result of leaks from an upstairs flat; a lost watch; and a legal expenses claim she wants to make against her neighbours. She also says Lloyds changed the policy limits on her insurance secretly after she made the claim.

One of our Investigators looked into the matter. He explained that the refusal of the claim, cancellation of the policy and the further matters raised by Mrs T could not be looked at as part of this complaint, as she would need to raise them with Lloyds first. The Investigator considered the handling of the claim up to the final response letter in April 2023. He did not recommend the complaint be upheld. He was satisfied that Lloyds made reasonable enquiries to assess if there was a valid claim under the policy and he didn't think that Lloyds had done anything wrong.

Mrs T does not accept the Investigator's assessment, so the matter has been passed to me.

Mrs T has made a number of points in support of her complaint. I have considered everything she has said but have summarised her main points below:

- The investigator did not consider all her complaint points.
- Lloyds staff have been rude and offensive to her and accused her of lying during a phone call.
- Lloyds is guilty of fraud, as it has been taking money from her but not providing her with any insurance; the insurance is a fake.
- The theft was in September 2022, so why does she have to show travel tickets after that date?
- Why has Lloyds refused to pay the £500 cash limit?
- Lloyds changed the policy limit for cash secretly after she made the claim and refused to send her copies of her insurance documents.
- Lloyds has deliberately delayed her claim for over a year.
- The thefts were carried out by her property management company, or its associates, and they must have bribed Lloyds.

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.

As the Investigator explained, I can only address in this decision the matters that were raised with Lloyds and that resulted in its final response letter of April 2023.

Mrs T's policy provides cover for theft but like all such insurance policies contains terms and conditions. Mrs T's policy documents state:

"Details we hold about your home...it won't be left for longer than 60 days in a row with no-one living there..."

And:

"We've listed the things you need to tell us below. You need to tell us the following things before they happen..."

- You're leaving your home for 60 days in a row or longer with no-one living there..."

Lloyds offered the insurance on the basis that the property would be occupied, other than for holidays for periods of less than 60 days in a row. It is up to insurers what cover they want to provide and unoccupied properties are at more risk, so this is not an unusual condition of such cover.

Mrs T has said Lloyds refused to provide her with the policy documentation. That does not form part of the complaint addressed by Lloyds in April 2023 but I can see the renewal documents were posted to the insured address and the Investigator also sent a copy of the documents to Mrs T. I am satisfied the above terms form part of the insurance contract in place at the time of the loss.

Lloyds says Mrs T had told it that she'd not lived at the property for three years. I note Mrs T disputes this but Lloyds wanted to know more and asked questions about when she was last there and if the property was left empty for 60 days or more.

Lloyds also looked at the electoral roll and asked about the names that came up as living at the address. The property is a flat and Lloyds later accepted that they were not residing in Mrs T's property but in other flats at the same address. I do not think this was an unreasonable enquiry to make, given that Mrs T had told Lloyds she did not always reside there.

Mrs T provided a copy of a travel ticket to the UK on 8 September 2022 and a return ticket out of the UK on 22 September 2022. Mrs T also provided a travel ticket to the UK dated 21 February 2023 and a bank statement entry showing a payment to an airline 4 July 2022, but there was no documentation to show the departure or destination points. The same bank account shows several UK based train ticket fees in July 2022 but also shows several non-sterling transaction fees incurred in July 2022 as well.

Lloyds said this meant there was no persuasive evidence the property was occupied between September 2022 and February 2023 (and it had concerns after that date as well). Mrs T says this is irrelevant as the theft happened in September 2022 but she first reported it in March 2023 and referred to a possible theft in February 2023 as well. So I don't think it was unreasonable of Lloyds to ask for further evidence about the occupancy of the property during this period and in general.

Lloyds also asked for more information about the £15,000 cash claimed for. Again, I don't think these were unreasonable enquiries. The policy has a limit of £500 that will be paid for the theft of cash anyway. Mrs T said Lloyds had changed this limit after her claim. Again this does not form part of this complaint but I am satisfied that the cash limit was £500 at the time Mrs T reported the theft. Mrs T insists Lloyds should pay her this amount at least but the claim has not been validated so I do not consider that I can reasonably require Lloyds to pay her this amount.

Mrs T is also very unhappy with the way she has been dealt with. She says Lloyds staff have been rude and offensive and have deliberately delayed her claim. I have seen no convincing evidence that there have been any deliberate delays or that Lloyds staff have not communicated appropriately with Mrs T. In my opinion, Lloyds made reasonable enquiries in order to assess the claim and I don't think the fact this has taken some time is due to anything Lloyds has done wrong.

Mrs T has also said Lloyds is guilty of fraud for providing fake insurance and also possibly been bribed to not provide her with the insurance cover she has paid for. The fact a claim has not been met does not mean that the insurance policy itself is not valid. I have also not seen any evidence to support the allegations made. I realise Mrs T feels very strongly about this but I am not persuaded that Lloyds has acted unfairly or unreasonably.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 4 January 2024.

Harriet McCarthy
Ombudsman