

## **The complaint**

Mr S complains that Lloyds Bank General Insurance Limited rejected a claim under his home insurance for damage to his wife's glasses.

Mr S had a home insurance policy with Hastings Direct. Hastings Direct is an insurance intermediary; the policy was underwritten by Lloyds. As the complaint is about a rejected insurance claim, his complaint is against the insurer (Lloyds).

Lloyds uses a third party to handle its claims and most of Mr S's correspondence has been with this third party. For the avoidance of doubt, any reference to Lloyds includes its agents, including its claims handler.

## **What happened**

Mr S had a Hastings Direct home insurance policy, underwritten by Lloyds. In January 2021, his wife broke her glasses in a fall away from the home. Mr S made a claim for the broken glasses under his home insurance.

Lloyds told Mr S his policy didn't include personal possessions cover and rejected the claim.

Mr S was unhappy with this. He said his policy schedule showed he had both accidental damage and personal possessions cover. He wants Lloyds to settle the claim.

Our investigator didn't recommend that Mr S's complaint should be upheld. She found that Mr S's policy didn't include personal possessions cover. As such, she was satisfied that the damaged glasses weren't covered by the policy and Lloyds had acted fairly by rejecting the claim.

Mr S disagreed with our investigator, so the case was passed to me to make 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.

The key issue here is whether Mr S has personal possessions cover. This is an additional cover on top of the standard contents cover under the policy. Broadly, standard contents insurance covers damage to items at home; personal possessions cover is an additional, optional insurance for loss or damage to items away from the home. As it's an extension of cover it will attract an additional premium because the risk the insurer is being asked to take on will have increased.

In this case, the additional protection is set out on page 42 (*'Personal possessions'*) of the policy booklet: *"Loss or damage to personal possessions anywhere in the world... [and] Accidental loss within your home – not covered under standard contents cover."*

Mr S believes he's covered because his policy schedule says, *"You have personal possessions cover."* He set out a contradiction he thinks exists in his policy schedule:

*"The statement of policy states: 'You have personal possessions cover. Please note the sum insured for personal possessions is included in your total contents sum insured, not in addition to it.' It then states £0 possessions cover. I can't understand how I have personal possessions cover and a nil value attached."*

I see Mr S's point and I can understand his confusion. Unfortunately, the key point is the line showing zero sum insured for personal possessions. This shows that the cover wasn't selected. In other words, if personal possessions cover had been selected, there'd be a sum insured value here.

Lloyds explained this in its response to Mr S's complaint:

*"... the document titled "Your statement of insurance" (page 5 of the attached PDF) lists various details of your contents cover, the final item listed being cover for general personal possessions away from home which is shown as £0. The statements you refer to which describe personal possessions cover includes the cover for your specified item, the laptop valued at £4,000, therefore you have cover for one of your personal possessions away from home, which is specified, but not for any other general possessions away from home, hence the £0 sum insured."*

This means Mr S has cover for a laptop worth £4,000 away from his home, but no other. Unfortunately that means that because his wife's glasses were damaged outside their home, this isn't covered by his policy.

I'm satisfied that Mr S's policy doesn't cover him for a loss in the circumstances described nor is there any evidence that he requested the optional personal possessions cover be added to his policy. I think Lloyds' decision to reject his claim was fair.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 November 2021.

Simon Begley  
**Ombudsman**