

The complaint

Mrs L is unhappy the Society of Lloyd's (Lloyds) didn't renew her landlord's insurance policy.

What happened

Mrs L had a landlord's insurance policy with Lloyd's. In April 2023 she was told (through her insurance broker) that Lloyds wouldn't be offering renewal of the policy. It said that was because of her claims history. Lloyds provided further details of the claims Ms L had made and agreed to extend cover for a week as Mrs L was having difficulty finding an alternative policy. I understand she did subsequently find cover with a different insurer.

Mrs L complained Lloyds hadn't offered renewal and said the claims she'd made on the policy had been genuine and honest. She felt she'd been taken advantage of because of her age and gender. Lloyds said that wasn't the case and its decision was because the risk fell outside of its underwriting appetite as a result of the number of claims made.

Our investigator thought Lloyds decision had been made in line with its underwriting guidance and it had correctly taken into account the claims Mrs L made (even if these hadn't led to a settlement). And it had acted reasonably in extending cover when Mrs L had difficulty in finding an alternative policy. Mrs L didn't agree so I need to reach 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.

In general terms insurers are entitled to decide what risks they're prepared to cover and accept or decline cover on that basis. Those are commercial decisions for an insurer to take and not ones that I can become involved with. What I can consider is whether a decision to decline or offer the renewal of cover has been applied fairly. That includes thinking about whether a customer has been treated in the same way as other customers would be in the same circumstances. And whether the decision has been based on correct information.

In this case I appreciate Mrs L says the claims she made on her policy were genuine and honest. I don't think that's been disputed. But I've seen Lloyds underwriting guidelines (which I can't share with Mrs L because they're commercially sensitive). They explain the circumstances in which the number of claims on a policy should trigger an underwriting referral. And as Lloyds has explained to Mrs L that includes claims whether paid or not.

I'm satisfied Lloyds has taken into account correct information on the number of claims Mrs L made and that it acted in line with its underwriting guidelines in declining to offer renewal of her policy. I think she's been treated the same as other customer with the same circumstances would be. And I haven't seen anything to show her age or gender played any part in the decision Lloyds reached. So I can't say it did anything wrong in deciding not to offer renewal of her policy. I appreciate that left her in a situation where she needed to find cover elsewhere but I think Lloyds acted reasonably in agreeing an extension to cover to enable her to do that.

My final decision

I've decided not to uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 7 March 2024.

James Park
Ombudsman