

The complaint

Mr D complains about the price of his home insurance policy with Lloyds Bank General Insurance Limited.

What happened

Mr D held a home insurance policy with Lloyds and had done so for a number of years. When the policy last renewed, he wasn't happy with the price so let Lloyds know.

The level of cover Mr D had was reduced, and as a result of that, some optional areas of cover were removed, further lowering the price of the policy.

Mr D thinks this means he's been overcharged for the previous policy years and thinks Lloyds needs to return anything he's paid for but not had use of.

Lloyds didn't uphold Mr D's complaint. It said Mr D's policies were priced in line with its underwriting criteria. It said each year it offered Mr D the option to review his cover, both in the renewal documentation it sent him, and over the telephone. It said Mr D never took this option in any year other than the last renewal. It said ultimately it was for Mr D to make sure the cover met his needs and doesn't think any refund is due.

Mr D didn't agree and brought his complaint to us.

One of our investigators didn't think Lloyds need do anything. He thought it was ultimately Mr D's responsibility to make sure the cover met his needs. He was satisfied Lloyds did what it needed to in informing Mr D of the level of cover he had, and that it offered him the option to review that cover each year.

Mr D didn't agree and asked for an Ombudsman's decision.

He also mentioned a complaint about the cancellation of the policy and the money he had refunded following that cancellation. But that's not covered in the scope of this decision. If Mr D wants us to investigate that, he'll need to let us know and we'll look at it under a separate complaint.

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 it. I understand Mr D won't be happy with this answer. I'll explain my reasoning below:

- Ultimately it's for Mr D to decide what cover he wants and ensure it meets his needs. I've not seen anything to suggest this was an advised sale, so what Lloyds needed to do was give Mr D enough information, in a clear and not misleading way, to allow him to make a decision.

- It seems there are two levels of cover available, a standard level of cover, in which options can be added, and an ultimate level of cover, which includes most the options available to add to the standard cover, plus additional benefits. I'm satisfied this is clear in the documentation provided.
- Up until the last renewal, Mr D had the ultimate level cover. I'm satisfied this was clear in all the documentation too. And I'm satisfied it's clear what this level of cover included.
- I'm also satisfied Mr D was given the option to review the cover every time the policy renewed based on the documentation sent at each renewal and a call between him and Lloyds at the 2022 renewal and decided not to.
- On the latest renewal, Mr D did amend the cover, and took off some optional cover as a result, lowering the premium. But I don't think this means he's due a refund for the other years.
- I appreciate he would never have been able to benefit from the options he removed such as outbuildings cover. But the level of cover he selected included these as standard, not as options, along with other benefits for one price. So I'm satisfied he still had the potential of benefiting from the increased level of cover. He selected the level of cover, and simply because he doesn't need all aspects of it, doesn't mean he's due a refund for the unused parts.
- I'm satisfied the policies were priced in line with Lloyds' underwriting criteria. That criteria is commercially sensitive, so I can't share it. But I'm satisfied Mr D's circumstances have been applied to that criteria, and so he's been treated the same as anyone else in the same circumstances would have been.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 May 2024.

Joe Thornley
Ombudsman