

## **The complaint**

Mrs D complains that she was mis-sold a home insurance policy by Lloyds Bank Insurance Services Limited ('LBIS').

## **What happened**

Mrs D tried to claim on her buildings insurance policy when her home was damaged during bad weather. The insurer declined the claim largely because the bad weather had not met the policy's definition of a storm, and Mrs D did not hold accidental damage cover. So, Mrs D complained that her policy had been mis-sold by LBIS. She says she was led to believe that the policy would cover structural damage, but, when this occurred, her policy did not pay out.

Our investigator considered the complaint but didn't think it should be upheld. She thought LBIS had provided the terms and conditions of the policy to Mrs D, and as such she was unable to agree that the policy had been mis-sold.

Mrs D didn't agree. So, the matter has been 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.

I'm aware that I've summarised the background to the complaint. I mean no discourtesy by this. Instead, I've focused on what I believe is the key issue here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I've fully reviewed the file. Having done so, I agree with the conclusion reached by our investigator. I'll explain why.

LBIS was responsible for selling this policy. It is not responsible for the outcome reached on the claim. This was the responsibility of the policy insurer – and I understand our service has investigated this separately. I make no comment about it here.

Under the relevant regulatory rules, a firm is required to give customers 'appropriate information' about a policy in good time and in a way that is easy to understand. This is so the customer can make an informed decision about the arrangements proposed.

Mrs D purchased her policy online, so I'm satisfied this was a non-advised sale. This means LBIS had an obligation to provide clear, fair, and not misleading information to Mrs D. Mrs D's main reason for saying that the policy was mis-sold is that she expected her policy would pay out when her home suffered structural damage. She says her documents led her to believe that this would be the case.

LBIS says it sent Mrs D the relevant documents after the sale, and again at each renewal. It has provided copies of these documents, and a screenshot from its system to show that these were sent. I've read the documents carefully. The welcome letter from the sale said

that the policy “meets the needs of someone wanting to protect the structure of their home”. The Insurance Product Information Document also said that the policy covers the structure of the home.

However, I must explain that no insurance policy will cover every eventuality. Mrs D’s policy does cover structural damage, but this will depend on what caused the damage, and the terms and conditions that apply to that particular cause. The policy will also have general exclusions and conditions. This is in line with almost all home insurance policies, so I don’t find it unusual.

The welcome pack from the sale also said that it included the policy booklet, which set out the full terms and conditions of cover. So, I think it’s likely that Mrs D was sent her policy terms, which explained the cover in detail, the insured causes of damage, and the various exclusions and conditions that applied.

I appreciate Mrs D’s claim was declined and I’m sorry to hear about the costs she’s incurred. But I’ve seen nothing to suggest that this policy was mis-sold. The documents from LBIS did say that structural damage was covered. But I don’t think it’s reasonable to expect that this would mean structural damage would be covered in every single situation. And as this wasn’t the case, I don’t think this means the policy was mis-sold.

I know that this will be disappointing for Mrs D. But I’m satisfied that LBIS sold the policy as I would expect. So, I won’t be telling LBIS to do anything further.

### **My final decision**

For the reasons set out above, I don’t uphold Mrs D’s complaint about Lloyds Bank Insurance Services Limited.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs D to accept or reject my decision before 21 October 2024.

Chris Woolaway  
**Ombudsman**