

## The complaint

Miss C and Mr H complain that Lloyds Bank General Insurance Limited acted unreasonably in cancelling their home insurance policy. It seems to me that Mr H is taking the lead on this case, so for ease of reading I'll mainly refer to him.

## What happened

Lloyds cancelled Mr H's policy, explaining that it contains a condition allowing them to do so where behaviour against their staff, contractors or property is unreasonable.

Mr H doesn't consider his behaviour to have been unreasonable. Rather, he feels it's Lloyds who have been unreasonable in their handling of an insurance claim he made. He says he should be entitled to deal with things in the way he has, because he's a paying customer.

He also said he was sworn at in front of his children, by Lloyds' contractor.

And investigator here looked into Mr H's complaint, they felt Lloyds had been reasonable so didn't uphold it. Mr H disagreed, so the matter has been passed to me to decide.

## 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.

It may be helpful for me to explain that I have not addressed each and every point made by either party. That isn't intended as a discourtesy, rather it reflects the informal nature of what we do – when compared to the courts.

The handling of the claim is being considered under a separate case. I accept that – if it's deemed poor claim handling contributed to Mr H's frustration – then a level of that coming out may be seen to be normal behaviour. However, my decision concerns the cancellation of the policy, and I've seen enough to say that wasn't unreasonable.

Ultimately, it is for me to decide whether or not Lloyds were entitled to cancel the policy. I've concluded they were, and will explain why.

The best place to start with cases of this nature is usually with the policy terms and conditions, they state:

*“When **we** might cancel your policy*

**We** can cancel your policy if:

- **You are threatening, aggressive or violent towards our staff, companies we work with or our property. This includes the use of threatening or aggressive language.**”

The words in bold type are defined elsewhere in the policy, but they carry their ordinary meaning. Lloyds considers their cancellation of the policy to have been appropriate. That's

because they felt Mr H had behaved in a determined and forceful way, and had demonstrated an unreasonably confrontational nature, sometimes acting in a hostile manner. Although they do accept some of this was borne out of frustration and could be deemed to be understandable.

From what I've seen, it seems clear to me that the relationship between Lloyds and Mr H had broken down. And in general, I think it would be reasonable for Lloyds to use their own judgment when considering whether to continue such a contractual relationship. Likewise, I think it's fair to conclude that Mr H's clear dissatisfaction with Lloyds means he would rather insure elsewhere moving forward.

In view of that, it wouldn't make sense for me to suggest the parties need attempt a reconciliation the relationship – not least because I have no real power of direction over who Mr H uses for his insurance needs. Nor do I think it would be appropriate, in this case, to say Lloyds ought to take back a customer they no longer want.

That leaves me to consider whether or not Lloyds should be required to compensate Mr H for their decision to cancel his policy. I don't consider that to be appropriate either, because it's for Lloyds to decide who they do business with – just as there is a choice for consumers to seek out companies they feel able to rely upon and trust.

Overall, given that I consider neither Mr H nor Lloyds wish to have a relationship where it comes down to his home insurance needs then I'd suggest it is probably for the best that it was brought to an end.

### **My final decision**

It is my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C and Mr H to accept or reject my decision before 5 November 2024.

Will Weston  
**Ombudsman**