

## The complaint

Mr and Mrs M complain about the decision by Lloyds Bank General Insurance Limited (Lloyds') to decline a claim made under their home insurance policy.

## What happened

The background to this complaint is well known to Mr and Mrs M and Lloyds. Rather than repeat in great detail what is already known by both parties here and generally not in dispute, in my decision I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mr and Mrs M made a claim under their insurance policy for the rewiring of their property and other associated costs. Lloyds declined the claim as they said a one off insured event hadn't occurred. Mr and Mrs M raised a complaint and as they remained unhappy with Lloyds' response, they referred it to our Service for an independent review.

Our Investigator considered the complaint but didn't recommend that it be upheld. As this wasn't accepted by Mr and Mrs M, the complaint has been referred to me for 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

*Have Lloyds fairly and reasonably considered this claim before declining it, in line with the policy terms?*

Lloyds have relied on two reasons for declining this claim: gradual causes (deterioration over time) and damage caused by vermin (mice).

The key evidence in this complaint is the reports by the electrician who carried out the rewiring on behalf of Mr and Mrs M. They initially said:

*“During the rewire of the circuits it was found that none of the lighting had a CPC (earth core) which means RCDs would not work and not comply with current 18th edition wiring regulations. **The sockets were wired in old stranded 2.5mm cables which were showing signs of the insulation degrading (green slime coming out of the ends of the cables).** [bold added for emphasis by Ombudsman]*

*.....I believe **mice may have been chewing the cables because there were signs of mice being present.** [bold added for emphasis by Ombudsman] Also **the insulation degrading could have cause a short in the cable somewhere.**”*

Later, the electrician said:

*“Because I wasn't able to fully investigate every cable (pull out all the old cabling) I can't actually confirm 100% what the cause of the fault was. **The cables I did manage to remove showed signs of degradation but that is just the old cables breaking down over time**”.* [bold added for emphasis by Ombudsman]

The electrician has presented two potential causes for the damage. Based on the evidence presented, I'm satisfied Lloyds position is reasonable and they can fairly decline the claim for either or both of these reasons under the policy terms.

I note Mr and Mrs M's point that the electrician hasn't concluded with 100% certainty the proximate cause of the damage. But the electrician has referred on two occasions to the deterioration of a sample of wires removed. When I've considered this alongside the age of the wiring, that an upgrade was needed to comply with current regulations and the presence of 'green slime' - I find it was reasonable of Lloyds to decline the claim for gradual causes.

Regarding the other potential cause, damage caused by vermin isn't covered by this policy. So declining the claim for this reason was also fair by Lloyds.

### *Summary*

The starting point with this insurance claim is the insured (Mr and Mrs M) have to demonstrate (within reason) that a one off insured event has occurred that's covered under the contract of insurance. The onus then passes to Lloyds to consider the claim in line with the policy terms. Mr and Mrs M have been unable to show that a one off insured event has taken place and I find that Lloyds have fairly declined the claim, in line with the policy terms.

For completeness, I've also considered if any other part of this policy ought to respond to this claim, but Mr and Mrs M didn't have accidental damage (buildings) cover - so the claim can't succeed under that section of the policy.

My decision will disappoint Mr and Mrs M, but it brings to an end our Service's involvement in trying to informally resolve their dispute with Lloyds.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 9 January 2025.

Daniel O'Shea  
**Ombudsman**