

The complaint

Mr V complains that Lloyds Bank General Insurance Limited (“Lloyds”) shared sensitive information about his daughter with a third party, without permission, following a claim he made under his home contents insurance policy.

What happened

Mr V contacted Lloyds on 7 August 2024 to claim for a damaged tv and some chairs. On 15 August it confirmed the claim had been accepted after consideration by its underwriters under an accidental damage cause. Mr V says Lloyds then passed information about his daughter’s health condition to its agent appointed to settle his claim. He says it shouldn’t have done this and so he complained to the business.

In its final complaint response dated 19 August 2024 Lloyds says it should’ve told its agent it’d already assessed Mr V’s claim. All its agent was required to do was to validate the settlement stage. There was no need for it to ask questions or request medical records relating to Mr V’s daughter. Lloyds apologised for the distress this caused and offered him £325 compensation.

Mr V didn’t think Lloyds had treated him fairly and referred the matter to our service. Our investigator didn’t uphold his complaint. She says that Lloyds shouldn’t have passed information about Mr V’s daughter’s health condition to its agent. But noted Lloyds had given instructions to delete this information from its records and that of its agent. She thought it was reasonable that Lloyds apologised and offered compensation. But she says that what it offered was fair.

Our investigator told Mr V that the Information Commissioner’s Office (ICO) is better suited to deal with concerns about whether a data breach occurred.

Mr V didn’t agree with our investigator’s findings. He says Lloyds has broken the law and asked for an ombudsman to consider his complaint.

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.

Having done so I’m not upholding Mr V’s complaint. Let me explain.

Mr V’s policy booklet explains that he’s required to help Lloyds when making a claim. This is to allow it to validate what happened and establish whether an insured loss has occurred. The claim records show the questions Mr V was asked surrounding the damage he’d claimed for. The matter was then sent to Lloyds’s underwriters to decide whether the claim was covered. A decision was communicated to Mr V on 15 August 2024 to say it was.

I can see from the records that Lloyds instructed its agent to settle the claim. But it didn't explain that it had already been accepted. All that remained was for its agent to deal with the settlement part. This meant assessing the replacement value or repair cost of the tv and chairs. In order to do this Lloyds's agent didn't need to establish if an insured loss had occurred. I can understand why Mr V was distressed when he was asked to answer a lot of the same questions again. As well as being asked to provide medical records relating to his daughter.

Lloyds accepts that it failed to communicate effectively with its agent. It also accepts this was distressing for Mr V. I think its fair that it apologised and offered Mr V compensation for this.

I've thought about the impact on Mr V and whether £325 compensation is fair in these circumstances. He was caused distress when Lloyds's agent asked for his daughter's medical records unnecessarily. This shouldn't have happened and also caused inconvenience. But I can see that the matter was dealt with swiftly once he complained.

Lloyds had confirmed the claim was covered on 15 August 2024. It then sent its final complaint response four days later. So, I think it acted quickly and reasonably once it was aware of its mistake. Instructions were given for the medical records to be deleted, which is what I'd expect to see as this information didn't need to be retained. Having considered all of this, although Lloyds's mistake did result in some distress and inconvenience for Mr V, I think what it did to put this right is fair. So, I won't ask it to do anymore.

Mr V refers to Lloyds having broken data protection laws in this case. Our investigator was correct to direct him to the ICO should he remain concerned that a data protection breach has occurred. But as she says, this isn't something our service is best placed to consider. So, I won't comment further on this point here.

In summary, I'm sorry Mr V was distressed by Lloyds's mistake. But I'm satisfied it's done enough to put this right with the apology and compensation it provided. So, I can't fairly ask it to do more.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 January 2025.

Mike Waldron
Ombudsman