

The complaint

Mr C and Mrs C have complained that Lloyds Bank General Insurance Limited (Lloyds) unfairly declined a claim under a home insurance policy.

As Mrs C mainly seemed to deal with the claim and complaint, for ease, I will normally only refer to her.

What happened

Mrs C contacted Lloyds to make a claim for two mobile phones that were stolen while she was abroad. Lloyds considered the claim and declined it. It said she hadn't taken reasonable care to protect the phones. When Mrs C complained, Lloyds maintained its decision to decline the claim. However, it offered £50 compensation for issues with its customer service.

When Mrs C complained to this Service, our Investigator didn't uphold it. He said the phones weren't in Mrs C's control and reasonable care wasn't taken when the phones were left unattended. He said it was reasonable for Lloyds to decline the claim. He also said the £50 compensation for the service issues was fair.

Mrs C didn't agree. In summary, she said the term "*reasonable steps*" needed to be determined in its full context. She said she had taken the reasonable view that the threat wasn't serious. She had stayed at the hotel many times before. The management of the hotel also viewed the risk of theft to be negligible or zero. She said hiding the phones under the sun lounger was a reasonable precaution. She wasn't in a public space. She was in a private space where access and egress was tightly controlled and limited. So, the complaint was referred to me.

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 don't uphold this complaint. I will explain why.

I have read all the information and evidence available to me for this claim and complaint. If I don't comment on something, it doesn't mean I haven't read it or thought about it. But, I've focussed my decision on what I consider to be the key issues in order to make a fair and reasonable decision.

The policy said policyholders needed to take reasonable steps to prevent, minimise or stop loss. Mrs C made a claim under the personal belongings part of the policy. This provided cover where items were lost or stolen while someone was away from their home, including while they were abroad. For the personal belongings cover, it said:

"We'll pay claims:

...

– If you or your family have your things with you and in your control at the time they're lost, stolen or damaged. You'll still be covered if they're left with hotel security. You'll also still be covered if they're put in a safety deposit box, safe or similar storage, all of which must be permanently fixed and locked.

When we say 'in your control' we mean that you can reasonably protect it from damage or prevent it from being taken. For example, if you leave your watch in your bag on the beach to go for a swim, it is not with you and in your control."

Mrs C has said that her phones were stolen while she was abroad staying at a secure complex, which was both gated and guarded. It's my understanding that the complex also had other guests staying there. Mrs C said she placed the phones under her sun lounger while she briefly went into the pool. She said the lounger was low to the ground and the phones were covered by a towel. When she returned, the phones had vanished.

Looking at the policy wording, this explained that items needed to be with the policyholder and in their control at the time of the loss or theft. It also said leaving items with hotel security or in a safe would be covered. Mrs C has said the items remained in her control the whole time until the point at which they were stolen. However, she has said she left them under a towel beneath a sun lounger while she went in the pool. It's my understanding that she didn't see who stole them and that when she returned to the sun lounger the phones had vanished. So, I'm not persuaded the phones were in Mrs C's control the whole time.

I'm also not persuaded that the security measures at the complex, which had other guests and staff, meant placing a towel over the phones under a sun lounger was a reasonable step to prevent their loss. I'm aware the management of the property said the phones being stolen in the pool area was a unique incident. They also said they couldn't recall any incidents of serious theft apart from items going missing from some apartments nearly ten years previously, which was associated with a former employee found in possession of duplicate keys. I think this showed that serious incidents were unusual, but not that they couldn't and didn't happen.

So, based on everything I've seen, I think Lloyds acted reasonably by declining the claim. I also think the £50 compensation it offered for its customer service, due to it initially not fully explaining the reason for the claim decline and for it contacting Mr C rather than Mrs C, was fair in the circumstances. As a result, I don't uphold this complaint or require Lloyds to do anything else in relation to it.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 6 February 2025.

Louise O'Sullivan
Ombudsman