

## **The complaint**

Mr B complains that Lloyds Bank General Insurance Limited unfairly rejected his claim for storm damage under his home and buildings insurance policy.

Lloyds applied its fraud exclusion as a reason to reject Mr B's claim.

## **What happened**

In February 2024 Mr B made a claim for storm damage to his insurer Lloyds. He said the storm had caused damage to several rooms and to the roof and conservatory of his home.

Lloyds appointed a Surveyor to attend Mr B's home to identify a cause of damage.

The Surveyor provided a report with his findings to Lloyds. On review, Lloyds discussed the claim again with Mr B. On 10 April 2024 Lloyds wrote to Mr B. It said there were inconsistencies in the information Mr B provided as to how the damage occurred. Lloyds had concerns that Mr B had provided false information to induce it into paying a claim that would not otherwise have been covered under the policy.

It asked Mr B to provide a written response to the inconsistencies it identified in the information Mr B gave when making his claim and the findings of the Surveyor. Lloyds said if it didn't receive a response in 14 days, it would make a decision based on the information it held.

Mr B replied to Aviva. He said he could provide a detailed response, but decided not to. He wanted to withdraw his claim. He was unhappy with the tone of Lloyds' communication with him and didn't agree he had acted fraudulently.

Mr B raised a complaint with Lloyds. Mr B said he didn't want Lloyds to record any negative marker against his name with any shared databases or agencies.

Lloyds replied to Mr B's complaint on 23 April 2024. It didn't uphold it. Lloyds said it was entitled to make further enquiries following its investigation into the claim Mr B made, based on the information he provided and the Surveyor's findings.

In May 2024 Mr B asked us to look at his complaint. Since Lloyds sent its final response letter on 23 April 2024, as it didn't receive further information from Mr B, it decided to reject his claim, apply its fraud exclusion, and cancel his policy.

One of our Investigators didn't recommend the complaint should be upheld. He thought Lloyds had acted reasonably and in line with the policy.

Mr B disagreed. He said Lloyds should have withdrawn his claim when he requested. But our Investigator explained that Lloyds didn't have to do this. It had already incurred claim costs and Lloyds had a right to continue with its investigation.

Mr B disagrees. He says once he decided to withdraw his claim that should have been the end of the matter. He disagrees with the findings of the Surveyor in relation to roof damage to his home.

So the case 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.

At the point when Lloyds issued its final response letter, it hadn't yet decided to reject Mr B's claim and apply the fraud exclusion. So I cannot look at the actions Lloyds took after 23 April 2024. Mr B complained about how his claim had been dealt with up until he received Lloyds' letter dated 10 April 2024.

In Lloyds' letter (dated 10 April 2024) it set out a number of inconsistencies in the information Mr B provided when he first contacted it to make a claim, compared to the findings by the Surveyor, and in the information Mr B provided in a call on 9 April 2024.

In summary, there were inconsistencies in how long the damage had occurred for, how and when Mr B discovered the damage, the history of repairs and previous damage identified through historic online images of Mr B's home.

The Surveyor appointed by Lloyds said the damage being claimed for had been occurring over a long period of time. There was significant damp and mould to several areas of the home, evidence of previous repairs, and evidence of damage being claimed for as recent, but showed on the historic online images from 2022.

Mr B provided a copy of an image provided by the Surveyor of his roof, along with a copy of the historic online image of his roof. He says the Surveyor's photos clearly shows a new missing tile and a hole in the roof. He wants this issue addressed.

I don't think there is a clear difference in the images to show that the tile in question wasn't missing in the image from 2022. Images from 2022 and 2024 show the roof, as the Surveyor described, as being in poor condition, and the damage, deterioration and missing tiles are visible from the online images in 2022.

In any event, this is one of several inconsistencies identified in Mr B's claim. Mr B reported damage that had occurred due to a storm to the front of the roof, the rear of the roof, to the conservatory, and several rooms in the house. Having reviewed all of the images provided by the Surveyor, I'm satisfied that Lloyds was entitled to raise the concerns it did – as the images show damage that had not occurred recently due to a one off event, but over a prolonged period of time.

Mr B says he didn't go into his adult children's rooms without their consent and so he was unaware of how long the damage was ongoing for. But that doesn't mean Lloyds has acted unreasonably.

It isn't for us to decide whether a policyholder has acted fraudulently or not. Instead, I need to decide if Lloyds acted reasonably on raising the fraud condition. So I've looked at the policy, what Lloyds has taken into account, and whether I think this was fair.

Lloyds' policy says;

### *"Fraudulent claims and statements"*

*"If you or anyone acting on your behalf makes any claim or statement knowing it to be false or fraudulent as regards, amount or otherwise, or if any loss or damage is caused by your wilful act or with your awareness, we will not pay the claim and all cover under this policy will cease and you will lose all premiums you have paid for this policy. In addition, we may recover any sums paid by way of benefit under the policy."*

*If you fraudulently provided us with false information. statements or documents, we may record this on anti-fraud databases: We may also notify other organisations including the police.”*

So I think Lloyds clearly set out its approach in these circumstances. And given the inconsistencies identified, I think it was fair and reasonable for Lloyds as the insurer to continue with its investigation in order to establish if it was willing to continue to provide insurance cover under the policy. So while I understand Mr B wanted to withdraw his claim, Lloyds was within its rights to ask Mr B for his responses in order to decide whether to apply its fraud exclusion and take the action set out under the policy if appropriate.

Taking everything into account, I think Lloyds acted reasonably. So I'm not upholding this complaint.

### **My final decision**

For the reasons I've given above, 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 B to accept or reject my decision before 19 February 2025.

Geraldine Newbold  
**Ombudsman**