

The complaint

Mr and Mrs M complain that Lloyds Bank General Insurance Limited (Lloyds), renewed their home insurance when they asked for it to be cancelled and haven't provided a full refund of the payment taken.

What happened

Mr and Mrs M held home insurance with Lloyds. When the policy was due for renewal in March 2023, Mr and Mrs M say they made two calls to Lloyds before the renewal date, firstly to see if the price could be reduced, and later to ask for the renewal to be cancelled as they'd found cheaper cover elsewhere.

Around 11 months later, Mr and Mrs M became aware that the policy had renewed and the full payment of £911.41 had been taken at the renewal. They contacted Lloyds about this.

Lloyds cancelled the policy and reimbursed the pro-rata amount for the remainder of the policy. However, they said they had no records of any calls or cancellation requests, so they didn't agree to provide a full refund. Instead, Lloyds provided a form for completion when dual insurance has occurred, in order to provide a 50% refund of the premium Mr and Mrs M had paid.

Mr and Mrs M raised a complaint with Lloyds about the policy being renewed, and not being reimbursed the full premium they'd paid. Mr and Mrs M also complained that their request for call recordings hadn't been actioned, that they'd received a dual insurance form for completion which had previous claims included on it, and that the renewal premium had increased in the first place.

Lloyds responded to Mr and Mrs M's complaint. They said the renewal quote was correct, and there were no records of calls requesting cancellation, so the dual insurance process for a 50% refund was correct. Lloyds also said that it was correct they included previous claims in the dual insurance forms. So, Lloyds didn't uphold those parts of the complaint. However, Lloyds recognised there had been delays in responding to the request for call recordings and paid £50 compensation for this.

As Mr and Mrs M remained unhappy, they approached the Financial Ombudsman Service.

One of our investigators looked into things but he didn't uphold the complaint. He said he was satisfied the renewal premium was correct and that the £50 compensation was fair. He also said that as there were no records of the cancellation request call taking place, he thought Lloyds treating matters as dual insurance and asking for completion of relevant forms for a 50% refund was reasonable. So, he didn't recommend Lloyds do anything further.

Mr and Mrs M didn't agree and asked for a final decision from an ombudsman.

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, whilst I appreciate it'll come as a disappointment to Mr and Mrs M, I've reached the same outcome as our investigator.

Firstly, I note Lloyds has already paid £50 compensation for the delay in responding to Mr and Mrs M's information request. I think that was reasonable in the circumstances. Mr and Mrs M said to our investigator that the cheque Lloyds provided has expired. However, our investigator confirmed with Lloyds that this has been cashed and the date it was, and asked Mr and Mrs M to check their bank records to confirm this. If after doing so, Mr and Mrs M haven't received the compensation, they'll need to contact Lloyds directly to request the payment/cheque be reissued.

Mr and Mrs M have said that the price of their renewal had increased, they were unhappy with this, and this is what caused them to purchase cover elsewhere. Lloyds has provided this service with information about the pricing of Mr and Mrs M's policy renewal. Whilst I can't share this in full as it is commercially sensitive, I'm satisfied Lloyds has demonstrated the price was calculated correctly. So, I don't think Lloyds acted unfairly or made an error when offering a policy at the price they did for Mr and Mrs M's renewal.

The main complaint point is that Lloyds renewed the policy at a cost of £911.41, and the full payment was taken from the card details on record. Mr and Mrs M say they had two calls with Lloyds before the renewal date and following these, Lloyds should have stopped the renewal going ahead. And it wasn't until around 11 months later that Mr and Mrs M discovered the policy had been renewed and the payment taken.

I note Mr and Mrs M's strength of feelings on the matter, and about what they said occurred during these calls (including the cancellation request), and reasons for the calls in the first place – because the price had increased. However, Mr and Mrs M have been unable to provide any records of these calls taking place. As explained by our investigator, Lloyds has also searched for telephone calls associated with both Mr and Mrs M's telephone numbers but has been unable to locate any telephone calls on their records either.

So, in the absence of either Mr and Mrs M or Lloyds being able to demonstrate these calls taking place, I'm unable to conclude that Lloyds renewed the policy against Mr and Mrs M's request. The policy renewed based on the card details already held on file, and this is common practice to ensure policyholders don't find themselves unexpectedly uninsured and in a claim situation without cover.

However, where there is more than one insurance policy in place for the same risk, this is referred to as dual insurance. Where a policyholder is dual insured, it is industry practice that each insurer provides a 50% refund of the premiums charged. So, in the absence of evidence demonstrating the calls took place to stop the renewal, I don't think Lloyds has acted unfairly by approaching this as it would dual insurance and providing a 50% refund, subject to completion of relevant documents they require.

I do recognise Mr and Mrs M are unhappy they received a dual insurance form with previous claims listed on it, but this isn't unusual. And this is to help insurers, in the event of dual insurance, be fully aware of previous claims made, along with the cover provided. Initially Lloyds provided a form which didn't have the claims included, which reflected as no previous claims made. But that was incorrect. So, Lloyds amended this and sent an updated form. I don't think Lloyds acted unfairly by doing so.

My final decision

It's my final decision 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 7 April 2025.

Callum Milne
Ombudsman