

The complaint

Mrs W complains about the actions of Lloyds Bank General Insurance Limited after she made a claim under her home insurance policy.

Lloyds is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Lloyds has accepted it is accountable for the actions of the agents, in my decision, any reference to Lloyds includes the actions of the agents.

What happened

Mrs W made a claim under her home insurance policy with Lloyds after accidentally damaging her laptop.

Lloyds arranged for Mrs W's laptop to be taken away so the damage could be inspected. Mrs W was advised to back up her data before the laptop was collected. After inspecting the laptop, Lloyds deemed it to be beyond economical repair and offered to settle her claim. Mrs W asked for the laptop to be returned to her so she could retrieve data and photos from it. She said she didn't want to agree to a settlement until she knew if she could get her laptop back. However, later that day Lloyds informed her that the data had been wiped from the laptop. Mrs W says she was very annoyed as there had been important information and irreplaceable photographs on the laptop. So, she raised a complaint.

Lloyds apologised for poor service and offered Mrs W £200 compensation. It said that although it had advised Mrs W of the risks of her data being lost, it should have provided her with the option of having her laptop back. It said its contractors were of the opinion that retrieval of the hard drive wasn't a possibility. But it would be willing to consider Mrs W's costs if she was able to find someone to action this successfully. Lloyds said it would cover the salvage cost of the laptop so the claim could proceed to the settlement of the laptop and the old laptop could stay in Mrs W's possession.

Mrs W remained unhappy and asked our service to consider the matter.

Our investigator didn't think Mrs W's complaint should be upheld. She thought Lloyds' offer to put things right was fair and reasonable.

Mrs W disagreed with our investigator's outcome. So, the complaint 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've decided not to uphold Mrs W's complaint. I'll explain why.

I've considered everything Mrs W has told our service, but I'll be keeping my findings to what I believe to be the crux of her complaint. I wish to reassure Mrs W I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence,

it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Mrs W has acknowledged that she was advised to back up her data before the laptop was collected for inspection. However, she says she was expecting to receive her laptop back after the damage was inspected. I can see from Lloyds' notes that Mrs W was offered a settlement for the laptop after it was deemed beyond economical repair. Mrs W said she wanted the laptop to be returned to her.

Mrs W says she hadn't decided whether she wanted to proceed with her claim at that point and she was assured that nothing would happen. However, in another call Mrs W was told the laptop had been wiped and that one of Lloyds' staff had specifically asked for this to happen.

Lloyds has acknowledged some poor service here. It says it should have provided Mrs W with the option of having her laptop back. It says the decision to remove the data was not made out of malice but was due to human error. From what I can see, this was done because the laptop had been deemed beyond economical repair and Lloyds had decided to settle Mrs W's claim. Lloyds has noted that in these circumstances it would normally scrap the device, rather than returning it to the customer. So, I don't think Lloyds deliberately went against Mrs W's wishes.

I appreciate the data wasn't lost while the laptop was being inspected. But Mrs W was advised of the risk that data could be lost while the laptop was in Lloyds' possession. In any event, there's always a risk that data can be lost from a device which is why important information should always be backed up by the user. So, I'm not persuaded that Lloyds is responsible for Mrs W no longer having access to her data.

Mrs W doesn't think Lloyds should count her claim. She says she had to go ahead with it so she could get her laptop back to see what could be salvaged. Mrs W says she told Lloyds that it was only being taken for an inspection, she hadn't decided to go ahead with a claim and she would need the laptop back.

I don't know exactly what might have been discussed prior to the collection of the laptop. But my understanding from the information I have available to me, is that Lloyds took the laptop so it could determine if the damage was covered by the policy. I can see from Lloyds' notes that Mrs W had previously arranged for her laptop to be inspected by a repair shop and there was a suggestion that a new battery might rectify issues that didn't relate to the accidental damage.

It's possible that Lloyds didn't communicate this clearly to Mrs W, but I think the inspection was arranged as part of the claims validation process. I can see there was some discussion about Mrs W possibly withdrawing her claim in order to have her laptop returned to her. But in its response to her complaint, Lloyds said the claim would proceed to settlement of a full replacement and the old laptop could stay in Mrs W's possession without her having to pay a salvage charge. So, I think it's fair for Lloyds to count this as a claim.

It's unfortunate that Mrs W's attempt to back up the data prior to the laptop being collected was unsuccessful. This means she lost some important documents and photographs which were of great sentimental value to her. I don't doubt this has been very upsetting for her and I empathise. But I've explained why I don't think Lloyds is responsible for Mrs W losing this valuable data. And I think the £200 Lloyds has paid Mrs W reasonably recognises the distress and inconvenience its poor service caused her. So, while I appreciate my answer

will be disappointing for Mrs W, I don't require Lloyds to do anything further in relation to this complaint.

My final decision

For the reasons I've explained, I don't uphold Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 18 April 2025.

Anne Muscroft
Ombudsman