

## **The complaint**

Miss C and Mr V complain about how Lloyds Bank General Insurance Limited ("Lloyds") dealt with a claim they made on their home insurance policy following a fire at their property.

Although the policy is in both names I will refer to Mr V throughout my decision since he brought the complaint to our service.

## **What happened**

Mr V has home insurance with Lloyds. The policy provides buildings and contents cover and was inception in May 2022.

There was a fire in Mr V's caravan in June 2024. There were no injuries to Mr V or his family, but many items were lost in the fire. Mr V submitted a claim to Lloyds.

Lloyds appointed a claims consultant to validate the claim and they attended Mr V's home as part of the validation. During the visit Mr V provided the claims consultant with a list of items being claimed for and explained the damage to the fence and gravel was being dealt with by his business insurer. Lloyds asked Mr V to provide details of his business insurer and he agreed to do so.

Lloyds declined the claim. It said Mr V tried to claim for items that were also claimed through his business insurance provider. Mr V says he made an administrative error and once he realised he told Lloyds and corrected his claim.

Mr V says he was fully transparent with Lloyds, but explained he would share the contact information for his business insurance provider with Lloyds once he had permission to do so. Information regarding the business insurer wasn't provided so Lloyds declined the claim and cancelled the policy.

Mr V says the whole matter has affected him financially and emotionally since he's had to discuss the ordeal time and time again and has been made to feel as though he did something wrong. Mr V says Lloyds made decisions based on assumptions rather than the evidence. Because Mr V wasn't happy he complained to Lloyds.

Lloyds say it requested details of Mr V's business insurer on a number of occasions, but they weren't provided. Lloyds completed enquiries with that insurer and noted many of the items Mr V was claiming for had already been settled. Lloyds was satisfied Mr V fraudulently presented his claim so declined it and cancelled his policy.

Mr V wasn't satisfied with the response from Lloyds so referred his complaint to this service.

Our investigator said she hadn't seen any evidence to suggest the business insurer had withheld any evidence from Lloyds. She said seven minutes after Mr V was told his claim had been referred to Lloyd's technical team he withdrew parts of his claim. The investigator said she thought Lloyds acted reasonably given the evidence she'd reviewed so she didn't think Lloyds needed to take any action in respect of the complaint.

Mr V didn't agree. He said he made a genuine administrative error, and he requested his business insurer's consent to share information since he wasn't sure if there were data protection issues with sharing insurer details. Mr V says he acted in good faith and with transparency – he says his lack of familiarity with insurance industry practices shouldn't be held against him. The matter has had significant impact on Mr V and his business. So, the complaint has come 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.

Mr V has provided detailed testimony about what happened and why his claim should be covered by the policy. I want to assure Mr V I have read and considered everything he has sent us. 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 reflects the informal nature of our service.

Having considered all the evidence, I'm not upholding the complaint. I appreciate Mr V has been through a difficult time and I know this isn't the answer he wanted; I empathise with the position he now finds himself in. I will explain my decision below.

The relevant industry rules say an insurer should handle claims promptly and fairly, and it shouldn't unreasonably reject a claim. So, I've thought about whether Lloyds acted in line with this. The fraud condition in Mr V's policy says,

*"We rely on you, and anyone acting for you being honest with us. We won't pay a claim if:*

- *It is fraudulent.*
- *It is exaggerated."*

The policy goes on to say, *"We'll also cancel your policy from the date it happened, and we won't refund any of your premium."*

In relying on the condition set out above, the onus falls to Lloyds to show that it has been breached. It's important to note that it isn't my role to decide whether Mr V has acted fraudulently or not. Rather, I've needed to think about whether Lloyds came to a reasonable conclusion that Mr V breached the fraud condition, based on its investigation and its evidence. And I'm satisfied it did come to a fair and reasonable conclusion in this instance.

Lloyds has provided notes from its investigation, and I can see it has looked into things thoroughly. Where there were inconsistencies in what Mr V had told it, it raised these concerns and sought explanation from Mr V, which I think was reasonable. Lloyds believed the items being claimed for were previously claimed for with Mr V's business insurer. And based on the evidence I've been provided with, I think Lloyds assessed the matter fairly, and came to a reasonable conclusion that the fraud condition had been breached. Mr V reported the theft in June 2024. When the claims consultant attended Mr V's property he told her he was claiming for gravel and fencing on his business insurance and didn't mention the contents he was also claiming for. By that point Mr V had received settlement of his business insurance claim; which included almost £4,000 worth of contents also claimed for in the Lloyds claim.

Mr V says he wasn't aware the business insurance claim had been settled but I have seen correspondence to Mr V confirming payment was being made.

Lloyds appointed a claims consultant to validate the claim. I think this is reasonable given the likely value of the items being claimed. The consultant asked for the business insurer's details, but Mr V didn't provide them, at that site visit or afterwards. Mr V says he asked the business insurer for consent to provide its details, but the insurer has no record of this request. And the evidence Mr V provided shows him asking the business insurer to contact Lloyds directly – rather than asking for consent to provide Lloyds with the information or contact details himself.

During its investigation Lloyds learned Mr V's claim with the business insurer had settled and when it looked into this further, it noted some of the items claimed for were the same as those Mr V was currently claiming for. Mr V says when he realised his mistake he told Lloyds to remove those items from the claim. But given he told Lloyds he was claiming for the fencing and gravel with his business insurer, it wasn't clear why the contents were included in that claim, and why Mr V didn't declare those when asked – either at the site visit or thereafter. Lloyds wasn't persuaded with the explanation provided by Mr V, and it is entitled to satisfy itself that all aspects of the claim are as they have been presented.

For the relatively large value being claimed for and given Mr V was dealing with both claims at around the same time, I'd expect him to be able to provide clear and accurate information. Based on the above I think it was fair for Lloyds to consider there was likely a breach of the fraud condition.

In order for an insurer to fairly invoke the fraud condition in an insurance policy the insurer needs to show it is more likely than not that the condition was breached. Having reviewed the information provided in this case I'm satisfied Lloyds conducted a fair and reasonable review of the claim and didn't act unreasonably in light of the evidence received. The fraud condition in the policy allows Lloyds to void it, keep the premiums and decline the claim. So, I'm satisfied it acted fairly in taking these steps.

Mr V says Lloyds decided not to appoint a forensic investigator but instead want to obtain a 'free' report from his business insurer which unnecessarily delayed his claim. But I don't agree.

It's common for insurers to share information about the same matter; Lloyds didn't dispute the circumstances giving rise to the claim; its decision whether to instruct a forensic investigator or not isn't relevant to the complaint. Lloyds asked Mr V for details of his business insurer and was waiting for Mr V to provide those details as he'd agreed to. So, I don't think Lloyds unnecessarily delayed things – it required that information in order to validate the claim.

I know my answer will be disappointing for Mr V but having carefully considered the complaint I think Lloyds acted fairly and within the terms of the policy. So, I won't be asking it to reconsider Mr V's claim.

### **My final decision**

For the reasons explained 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 Miss C and Mr V to accept or reject my decision before 13 May 2025.

Kiran Clair  
**Ombudsman**