

## **The complaint**

Mrs L and Mr N complain that Lloyds Bank General Insurance Limited (“Lloyds”) priced their policy unfairly and caused them confusion due to several instances of miscommunication about their level of cover.

Any reference to Lloyds in this decision includes its appointed agents and representatives.

## **What happened**

In February 2022, Mrs L and Mr N’s landlord insurance policy became due for renewal. Mrs L and Mr N believe that from this date, there were numerous failings on Lloyds’ part regarding their policy.

The issue first became apparent to Mrs L and Mr N in March 2024 when they were advised that Lloyds could not provide cover for converted flats occupied by tenants, despite the fact that they’d spoken to Lloyds’ advisers on numerous occasions before March 2024 and had not been given this important information which affected their cover.

Mrs L and Mr N complained to Lloyds. They said they shouldn’t have received renewal documents for a policy Lloyds knew it could no longer offer them. Lloyds accepted it got things wrong and it offered £50 compensation for its errors. These included the fact that Lloyds didn’t cancel the policy back to the renewal date as it should’ve.

Further complaint points were raised by Mrs L and Mr N, including concerns about the premium, but Lloyds confirmed the pricing of the policy was correct. It also arranged for the policy to be cancelled back to the 2023 renewal and for a refund to be issued along with 8% interest and an additional £75 compensation. Mrs L and Mr N didn’t accept Lloyds’ responses, so they referred their complaints to this service.

Our Investigator considered everything Mrs L and Mr N had said, and also considered all the information from Lloyds. Lloyds said on review of the complaint it felt that the £125 compensation offered wasn’t adequate and it offered Mrs L and Mr N a further £175 compensation, bringing the total amount to £300. Our Investigator said that Lloyds hadn’t treated Mrs L and Mr N fairly and it should pay them the additional compensation it had offered.

Mrs L and Mr N didn’t agree with our Investigator’s opinion. They said it wasn’t about the money and they agreed that compensation of £300 was fair for all the wrong information Lloyds gave them and all the confusion caused initially. But it didn’t compensate them for the manner in which Lloyds dealt with their complaint after that.

Mrs L and Mr N asked for the matter to be referred to an Ombudsman, so the complaint has now 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.

As this is an informal service, I'm not going to respond here to every point raised or comment on every piece of evidence Mrs L, Mr N and Lloyds have provided. Instead, I've focused on those I consider to be key or central to the issues in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I'm upholding this complaint in line with the latest offer from Lloyds. I'll explain why.

It's not in dispute that Lloyds caused Mrs L and Mr N confusion, frustration and upset in its dealings with them, ever since they became aware that it could no longer provide the cover they needed. I've considered all the detailed points made by Mrs L and Mr N about the various calls they had with Lloyds and the incorrect information that was given, as well as the numerous times Lloyds seemingly rejected their complaints.

And, taking everything into account, I think the offer that Lloyds has now made is fair and reasonable. I say this because £300 in compensation reflects the fact that the incorrect information provided to Mrs L and Mr N impacted them, as they had to go to considerable extra effort to try and sort things out. Mrs L and Mr N can look on our website for details of how we make awards for distress and inconvenience – and in this case, I'm satisfied that £300 is in line with what I'd award in the circumstances, if no offer had been made.

I appreciate Mrs L and Mr N's comments in relation to their concerns that they were overcharged for their policy. But I agree with our Investigator here, in that even if they'd been overcharged, they've been refunded their policy premium together with 8% simple interest per year for being deprived of those funds. This is the remedy I'd have required Lloyds to carry out if I'd found that Mrs L and Mr N had been overcharged. So whilst I understand Mrs L and Mr N's reasons for wanting to take this further, I'm not going to require Lloyds do any more in relation to the premium.

Lloyds has also accepted that it held the wrong information about Mrs L and Mr N's property. Lloyds hasn't disputed that, and has said that Mrs L and Mr N can insure with Lloyds on the same product as long as they meet all eligibility criteria and as long as they're happy for Lloyds to insure the risk address with no prefix such as "ground floor flat". Mrs L and Mr N should discuss this further with Lloyds if they wish to – and they can check whether Lloyds has corrected the information it holds about their property. Mrs L and Mr N can also raise a new complaint if things go wrong in future.

I should clarify that this service cannot act as an ongoing mediator between the parties. I note that Mrs L and Mr N have asked for Lloyds to confirm the steps for a formal process to ask for rectification of personal information, for example which department to contact, or which person, and their contact details. That is a matter for Mrs L and Mr N to take up with Lloyds directly, outside this complaint. And if Mrs L and Mr N find that Lloyds doesn't provide the information they require, then they are free to make a new complaint to it.

Mrs L and Mr N have said that whilst they agree the £300 offered compensates them for the initial confusion, it doesn't account for the way Lloyds handled their complaint after that. I've thought carefully about this, but I consider this to essentially constitute a complaint about the way Lloyds has handled their complaint. And complaints about complaint-handling aren't within the jurisdiction of the Financial Ombudsman Service, so I don't have the power to consider this point.

We don't have the power to look at every complaint we receive. Our powers to consider complaints are set out in the Financial Services and Markets Act 2000 ('FSMA') and in rules known as the Dispute Resolution (or 'DISP') Rules, written by the Financial Conduct Authority in accordance with the powers it derives from FSMA. These form part of the FCA

Handbook. DISP2.3 sets out which complaints this service can and can't look at, and these include complaints about regulated activities, or ancillary activities carried out in connection with something we have the power to consider.

So in order for me to be able to consider whether further compensation would be warranted for the way in which Lloyds handled Mrs L and Mr N's complaint, I'd need to be satisfied that the complaint was about a regulated activity and not solely about the way in which their complaint was handled. In this case, I'm satisfied that this part of the complaint is solely about complaint handling, so I'm unable to consider it.

Overall, in relation to the aspects of this complaint that I can consider, I'm satisfied Lloyds' offer of £300 compensation in total is fair and reasonable.

### **Putting things right**

Lloyds Bank General Insurance Limited should pay Mrs L and Mr N a total of £300 compensation for distress and inconvenience.

### **My final decision**

My final decision is that I uphold this complaint and I direct Lloyds Bank General Insurance Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L and Mr N to accept or reject my decision before 1 August 2025.

Ifrah Malik  
**Ombudsman**