

## **The complaint**

Mr A and Mrs M have complained about the way Lloyds Bank General Insurance Limited handled a claim they made under their buildings insurance policy.

Reference to Lloyds includes its agents and representatives. And as he's mainly dealt with things, for ease of reading, I'll refer to Mr A only.

## **What happened**

The circumstances aren't in dispute, so I'll summarise the background:

- Mr A got in touch with Lloyds to make a claim for storm damage in 2024. He said roof tiles had come off during bad weather, damaged the flat roof below and caused a water leak. He said he arranged for his son to carry out temporary repairs.
- Lloyds declined the claim and cancelled the policy because it thought Mr A had acted fraudulently. It said its surveyor didn't think the damage was consistent with the circumstances Mr A had described. It also said Mr A had made, and withdrawn, a claim for the flat roof in 2022. It suggested this meant there had been an ongoing problem since 2022, which Mr A had misrepresented as a storm claim in 2024.
- Mr A complained. He said he hadn't made a fraudulent claim. He said Lloyds' surveyor didn't physically inspect the roof, so their findings were unreliable. He maintained the damage had been caused during bad weather and there had been temporary repairs to avoid further damage. Lloyds maintained its position.
- Our investigator thought the complaint should be upheld. He said Lloyds hadn't provided sufficient information to show Mr A had acted fraudulently. So it should remove any reference to a fraudulent claim from internal or external databases. And it should amend the reason for cancelling the policy. But it could decline the claim.
- Lloyds disagreed, and an agreement wasn't reached, so the complaint has been passed to me.

## **My provisional decision**

I recently issued a provisional decision, in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

- When considering what's fair and reasonable in the circumstances I've taken into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Whilst I've read and taken into account everything said by both parties, I'll only comment on the points I think are relevant when reaching a fair outcome to this dispute. That's a reflection of the informal nature of this Service.

- Lloyds' policy says it won't pay a claim if it's fraudulent. And it will also cancel the policy from the date the fraud happened.
- So, in principle, Lloyds is entitled to take this action in the event of a fraudulent claim. However, it would only be fair for it to do so if it could show Mr A likely made a fraudulent claim. To do that, I would expect Lloyds to show that Mr A acted dishonestly in order to gain something he wasn't entitled to. Fraud is a serious accusation with significant consequences, so I would expect to see compelling evidence to support Lloyds' position.
- In summary, Lloyds' position is that Mr A acted dishonestly by saying the damage happened during bad weather in 2024 – when he knew it had been ongoing prior to that, perhaps as far back as the earlier claim in 2022. And he did so in order to have a claim accepted that otherwise wouldn't have been.
- Mr A says the damage occurred as he said it did, and he made a genuine claim. He accepts it may not be covered by the policy, but he made the claim in good faith.
- Lloyds has provided its notes from the 2022 claim. I understand Mr A told Lloyds there had been a leak through the flat roof, but he was unsure of the details. The claim didn't go ahead and Lloyds didn't inspect the damage. And there is no other information available to show the extent of damage or what may have caused it. Mr A says he repaired that damage. So I'm not persuaded the 2022 claim shows the damage claimed for in 2024 was likely ongoing for a period of time.
- In 2024, Lloyds inspected the damage and prepared a report. I acknowledge Mr A's point that the surveyor didn't climb onto the roof and physically inspect it. But the photos they took show the broad condition of the roofs reasonably clearly in my view. So I'm satisfied it would be fair to consider the report.
- The report said the flat roof was damaged and had a temporary repair applied. That's in keeping with what Mr A said and is supported by the photos. So I don't think this point is in dispute. It's unclear why Lloyds thinks the temporary repair wasn't a response to the damage described by Mr A.
- The report also said the main roof was damaged, with hip tiles starting to slip due to mortar failure. But it found no evidence to show tiles had come off the main roof during bad weather and damaged the flat roof.
- When he first made the claim, Mr A said his son had put the main roof tiles back in place to avoid further damage. The surveyor's report didn't comment on this. But as Mr A says the tiles were replaced, I can understand why there wouldn't necessarily be clear evidence of missing tiles. And I note the surveyor identified loose hip tiles, so it seems to be agreed that the condition of the roof meant tiles may be prone to slipping out of position.
- The report noted water damage internally, under the flat roof, and said this was a longer term issue not caused by a single storm. I agree some of the water staining doesn't appear to be fresh. But I note the inspection took place around a month after Mr A said the damage happened. So the staining is unlikely to appear fresh. And the damage isn't clearly more than a month old. The surveyor's report didn't comment on this. Nor did it suggest what else may have caused the water damage.

- Later comments from the surveyor said it was unlikely temporary repairs had been carried out to the main roof. But the comments also described how such a repair could have been done in a couple of different ways. So it's not clear why Lloyds thinks Mr A, or his son, didn't do that. The comments also say the flat roof is damaged by 'age related deterioration'. I don't think it's in any doubt that some parts of it are suffering this kind of damage – but the temporary repairs are on the other side of the roof. So it's not clear why Lloyds thinks the wear and tear is relevant.
- In my view, the report and further comments are lacking key information and detail. The findings are stated with little explanation.
- And there's no discussion about the weather conditions at the relevant time and what impact that may have had on the damage or its likely cause. Lloyds' claim notes show it checked the local weather records when Mr A initially claimed and found 53mph winds on the day, 75mph the day before, and 66mph the day before that. The latter two records were described as 'violent storm force gusts' and are considerably above the 55mph threshold the policy requires for a storm claim.
- In summary, that means the following has been established about the damage:
  - There were very strong winds at the relevant time.
  - The surveyor thought the condition of the main roof meant tiles could be loose and slip.
  - There was no sign of loose or missing tiles from the main roof, consistent with Mr A's son carrying out a temporary repair.
  - The surveyor noted there was a temporary repair to the flat roof, consistent with what Mr A had said.
  - There was water damage internally, consistent with a leak in the flat roof. It's condition is consistent with the timing of the damage noted by Mr A.
- In these circumstances, I'm not persuaded Lloyds has provided the compelling evidence of fraud that I'd expect to see. It may be able to decline the claim, but that doesn't necessarily make the claim fraudulent. In my view, the circumstances are similar to those commonly seen in storm claims, where a dispute may arise about whether the main cause of the damage was the storm or wear and tear. But it's not indicative of fraud, based on the evidence Lloyds has presented.
- Mr A said his son had taken photos of the tiles – but didn't provide these. And he didn't engage promptly when Lloyds asked him for more information. I can understand how that didn't help to ease Lloyds' concerns. But I'm not satisfied that alone is compelling evidence of fraud, particularly when considered alongside everything else discussed above.
- To put things right, Lloyds should reinstate the policy. It should go on to consider the claim, if Mr A would like it to. And it should ensure all reference to the policy cancellation or fraud is removed from any internal or external databases. Lastly, it's clear this has caused Mr A avoidable distress and inconvenience. Understandably, he was worried about being accused of acting fraudulently – and the wide ranging consequences that can have. I consider Lloyds should pay compensation and I'm satisfied £250 is fair and reasonable in the circumstances.

### **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.

- Both parties responded to my provisional decision and said they accepted it.
- That means the complaint is resolved and I see no need to reconsider or comment on the merits any further.
- Lloyds said it would reinstate the policy and consider the claim if Mr A wanted it to. But it understood he may not. That seems like a fair position to me. I'll include these points in the award but note it's up to Mr A to dictate to Lloyds whether he would like it to fulfil those points.
- Lloyds said it would carry out the other parts of the award.

### **My final decision**

I uphold this complaint.

I require Lloyds Bank General Insurance Limited to:

- Reinstate the policy if Mr A would like it to.
- Reconsider the claim if Mr A would like it to.
- Remove all reference to cancellation or fraud from any internal or external databases.
- Pay £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs M to accept or reject my decision before 23 May 2025.

James Neville  
**Ombudsman**