

The complaint

Mr A has complained about the amount Lloyds Bank General Insurance Limited has offered to settle a claim made on his contents insurance policy.

Reference to Lloyds includes its agents and representatives.

What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Mr A got in touch with Lloyds in December 2023, after items of contents were stolen from his property. Lloyds accepted the claim and made an offer to settle it.
- Lloyds paid Mr A the full policy limit for high-risk items of £10,000, as well as further amounts for other contents and cash.
- Mr A didn't think this was fair and complained. He said he'd lost around £43,000 of items, but Lloyds had only paid him around £12,500. So he'd lost out considerably.
- Lloyds initially maintained its position. After Mr A referred his complaint to this Service, Lloyds reviewed matters again. It maintained it would pay no more than the policy limit for high-risk items. And its offer for cash was fair. But it said it would reconsider its offer for other contents, plus interest, and pay £100 compensation.
- Our investigator thought Lloyds' offer was fair and reasonable in the circumstances.
- Mr A disagreed. He said Lloyds had either disregarded evidence he'd provided for the other items of contents – or was treating them as high-risk items to limit how much it would pay on the claim. And, as the cost of materials, such as gold, and other contents had increased over time, he was losing out financially due to delays.
- As our investigator wasn't persuaded to change her mind, an agreement wasn't reached, and the complaint has been passed to me.

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.

- There are a number of points to this complaint, so I'll consider each in turn.

High risk items

- Lloyds has accepted a claim for theft. It's paid the full policy limit of £10,000 for high-risk items. Mr A claimed for more than £10,000 of high-risk items, so it's clear he's lost out financially as a result of the limit.

- As Lloyds has paid out the full policy limit, I would usually only require it to pay more in limited circumstances. For example, if it unfairly sold the policy and/or handled the claim, and that caused Mr A to lose out financially.
- When selling or renewing the policy, Lloyds had a duty to provide information that was clear, fair and not misleading, so that Mr A could make an informed decision about whether the policy was right for him. That included setting out clearly what the policy limits were and what they were for, so Mr A could decide whether they were sufficient for his needs.
- Mr A took out the policy in 2019. At the 2023 renewal, prior to the claim, Lloyds provided Mr A with his policy schedule. Relevant to this complaint, it said Mr A had up to £10,000 cover for high-risk items. It went on to say that high-risk items are those “that could be attractive to thieves like televisions, laptops, mobile phones and jewellery”. Mr A was invited to let Lloyds know if he wanted to change anything about the policy. He didn’t ask to change the high-risk items limit, so it remained £10,000.
- Mr A’s claim for high-risk items included jewellery, laptops and similar electronic items, a television and a camera. I’m satisfied the explanation given in the policy schedule was reasonably clear that all such items amounted to high-risk items.
- As a result, I’m satisfied Lloyds sold the policy in a clear, fair and not misleading way. And I’m not persuaded it caused Mr A to lose out financially due to the way it sold the policy. Mr A chose to maintain £10,000 of high-risk items cover. In these circumstances, I’m satisfied Lloyds acted fairly when it paid up to the limit only.
- Lloyds paid £10,000 for high-risk items in August 2024. I’m satisfied there weren’t any significant avoidable delays making that payment. So, whilst the price of materials and other contents may have increased since Mr A made the claim, I don’t think Lloyds caused Mr A to lose out due to the way it handled the claim. I’ll explain my reasoning on this point in more detail in the relevant section below.

Other contents and cash

- Mr A’s claim included a number of items that don’t meet the definition of high-risk items – so they’re not caught by the £10,000 policy limit. Lloyds recognised this and made a payment of £2,000, before deduction of the excess, for these other items of contents. Mr A didn’t think that reflected the full value of other contents lost. He said he’d provided evidence to substantiate his ownership of items, and their value, but Lloyds hadn’t taken all of it into account.
- I think Lloyds has agreed with Mr A on this point to an extent, as it’s offered to reconsider the settlement for these other items of contents. And, if it pays anything further, it’s offered to add 8% interest to that additional payment. I’m satisfied that’s a reasonable offer in the circumstances.
- As Lloyds is going to reconsider its offer for these items, there’s no need for me to consider what it should pay at this stage. I’ll leave it up to Lloyds to take the next steps with Mr A directly. That should include assessing all evidence Mr A has provided for all the other items of contents, and considering whether it should pay more than £2,000 – prior to deduction of the excess.
- I know Mr A is concerned that Lloyds may have labelled some items as high-risk, when they aren’t, in order for more items to be caught by the policy limit. Based on

the list of items Lloyds has labelled as high-risk, I don't think that's the case – I'm satisfied all the items listed as high-risk fall within the policy definition, as well as the explanation given in the policy schedule.

- But when Lloyds reconsiders this part of the claim, it can share with Mr A a list of which items it's labelled as high-risk and which it hasn't. It can also let him know how much it's offered for each of the other items of contents. The matter can be discussed further and, if an agreement can't be reached, Mr A will be entitled to raise a new complaint about that offer.
- Lloyds paid Mr A £260 for stolen cash. I understand this is how much Mr A said was his personal cash, whilst other cash for business use was also stolen. I wouldn't expect Lloyds to pay for lost cash related to a business under Mr A's personal policy. So I'm satisfied it's acted fairly on this point.

Claim handling

- The claim began in December 2023. Lloyds investigated the claim and made a settlement payment in August 2024 – around nine months later. And some aspects of the claim remain outstanding. As a result, Mr A says Lloyds has caused delays, which have caused him distress, inconvenience, and financial loss due to increased costs in the meantime.
- Mr A made a previous complaint about delays in May 2024. Lloyds offered him £50 compensation for a delay logging the complaint, but didn't think there had been any delays with the claim. It offered £100 for this complaint, in relation to reconsidering the claim, making £150 compensation in total. To keep things clear, I'll consider matters up to the time Lloyds responded to this complaint, which is August 2024.
- After Mr A made the claim, Lloyds asked for a list of the stolen items, together with evidence to show ownership and value. Given the extent of the items, and the value claimed for, Lloyds investigated the matter further. That included seeking further information about the items and taking advice from a jeweller. I'm satisfied it was reasonable and proportionate for Lloyds to make the enquiries it did. It's entitled to take steps to establish ownership and value of items, particularly those which are more expensive. Doing so is in line with the policy terms and the usual approach taken by insurers across the industry and will naturally take some time.
- I've reviewed the claim history for the relevant period of time, and I think the only significant avoidable delay caused by Lloyds is in relation to the outstanding claim for other items of contents. But as it's agreed to reconsider settlement for that part of the claim, and add interest to any additional payment, I don't think Mr A will lose out financially as a result. I haven't found any other significant avoidable delays caused by Lloyds. In these circumstances, I'm satisfied a total of £150 compensation is fair and reasonable. If Lloyds has already paid £50, it need only pay £100 more.

My final decision

I uphold this complaint.

I require Lloyds Bank General Insurance Limited to:

- Reconsider the settlement for other contents, as set out above.
- Pay a total of £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 June 2025.

James Neville
Ombudsman