

## The complaint

Mr P complains that Lloyds Bank General Insurance Limited (Lloyds) declined a claim he made under his home insurance.

## What happened

Mr P has a home insurance policy with Lloyds. In August 2024, Mr P made a claim to Lloyds for a gold necklace he'd left on a plane as he was unable to recover it after contacting the airline and airport.

Lloyds declined Mr P's claim as they said he hadn't taken reasonable care of the necklace, which was a requirement under the policy.

As Mr P remained unhappy, he approached the Financial Ombudsman Service.

One of our investigators looked into things but he didn't uphold the complaint. He agreed with Lloyds that Mr P hadn't taken reasonable care of the necklace, so he didn't think Lloyds had acted unfairly by declining the claim.

Mr P didn't agree and asked for a final decision from an ombudsman.

I was minded to reach a different outcome to our investigator, so I issued a provisional decision to give both parties an opportunity to comment on my initial findings before I reached my final decision.

## What I provisionally decided – and why

In my provisional decision, I said:

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

*I'm minded to reach a different outcome to our investigator, so I'm issuing a provisional decision to give both parties an opportunity to comment on my initial findings before I reach my final decision.*

*Mr P's insurance policy with Lloyds covers his buildings and contents. On Mr P's policy, he's specified a gold necklace for £20,000. This is covered in and away from the home for loss, theft and accidental damage.*

*In short, Mr P made a claim for the loss of the necklace after he left it on a plane. Whilst Mr P's necklace was specified under the policy for cover for loss away from home, Lloyds declined the claim. They said Mr P hadn't taken reasonable care of the necklace and referred to the following policy condition:*

*"When and where are your contents covered?"*

*We'll cover your things when they are temporarily away from your home.*

*We'll pay claims for:*

- *Your things if you've taken reasonable care to make sure they're not lost, stolen or damaged. For instance, if you're staying at a hotel, you should keep your valuables in a safety deposit box, or leave them with hotel security when you don't have them with you. If you're on a beach, don't leave your watch in your bag while you go for a swim if someone can't keep an eye on it for you."*

*What may be reasonable care to one person, may not be to another. This is the case here and evident in the differing views between Lloyds and Mr P as to where he placed his necklace on the plane after he took it off.*

*The courts previously considered a case regarding reasonable care in Sofi v Prudential Assurance Co Ltd (1993). In summary, if an insurer wishes to rely on someone not having taken reasonable care when declining a claim, they need to show the policyholder acted 'recklessly'. In practical terms, this means that the policyholder recognised a risk, but then after recognising the risk, either did nothing or took steps or measures they knew were inadequate. Whilst the circumstances of that case are not entirely the same circumstances as what happened in Mr P's case, I think it's a useful consideration here in deciding what is fair and reasonable in all the circumstances of this case.*

*Mr P has explained that he was travelling home from holiday, and his flight was delayed taking off after boarding. Mr P says he wanted to try to sleep, and the necklace was uncomfortable around his neck. So, Mr P removed his necklace and placed it in the seat pocket in front of him. When he landed, he then exited the plane, forgetting the necklace. Mr P wasn't able to recover it after contacting the airline and airport, so he made a claim to Lloyds for loss of the necklace.*

*Lloyds said:*

*"We don't feel reasonable care has been taken as the front pocket of an airplane seat is easily accessible to anyone walking by, including other passengers, and cleaning staff and could have been more visible and tempting for an opportunistic theft.*

*We feel you had alternatives, such as keeping the item in a personal pocket or a secure bag, which are less accessible to others and would have meant you wouldn't have forgotten to take the item with you when exiting the airplane. In view of your previous claim we would have expected you to have taken more care and attention with your items rather than leaving them in places they could be stolen or forgotten about."*

And:

*“Whilst I understand that you believed the chain in the magazine rack in front of you was the best option, we must emphasise the importance of personal responsibility for one’s possessions. Even though your bag was not directly in front of you, we would expect you to secure belonging safely when possible to do so or take other measures to ensure due diligence, such as storing in a pocket.*

*We cannot agree that all measures have been taken in the instance.”*

*Mr P has explained his thoughts and decision making when deciding to place the necklace in the seat pocket in front of him.*

*Mr P said that the shorts and T-shirt he was wearing didn’t have any pockets to place his necklace in so that wasn’t an option. Mr P says he was also conscious that if he removed his necklace and placed it in his bag in the overhead locker, other passengers would have seen him do this, potentially putting his necklace at risk of theft from the shared overhead locker whilst he was asleep.*

*As Mr P was in a window seat, with his partner next to him, he believed the safest option to avoid theft would be to place the necklace in the seat pocket in front of him. For his necklace to then be at risk of theft, the thief would have needed to reach across his partner and him to access the seat pocket in front of him, remove the other items in it (such as magazines etc), to be able to access and steal the necklace. So, Mr P deemed this to be a much less likely risk of theft occurring than leaving it unattended in the shared overhead locker whilst he was sleeping.*

*I don’t think Mr P took unreasonable actions here in his considerations and decision-making process. Mr P recognised the risk of theft, the difference in options available to him at the time and the risks they presented, and then decided on the option he did on the basis of the risk of theft being much lower. I think Mr P recognised the risk of theft, and then took actions that he believed were adequate to prevent or lower that risk.*

*With this in mind, if the necklace had been stolen, and the claim was for theft, I wouldn’t agree with Lloyds that Mr P hadn’t taken reasonable care. But an important point here is that the claim wasn’t for theft, instead it was for loss.*

*There are some different, relevant, considerations here. For the reasonable care test in *Sofi v Prudential*, the policyholder needs to have identified the risk, and then took no, or inadequate, steps. But here, Mr P considered the risk of theft and took appropriate actions (in my and his view) to limit that risk. But Mr P didn’t foresee or identify the risk of leaving his necklace on the plane, or the subsequent loss of it.*

*So arguably, Mr P couldn’t have failed to take reasonable steps to prevent loss if he didn’t foresee the risk of loss occurring. Therefore, Mr P didn’t ignore, or take unreasonable to steps, to mitigate a risk he didn’t identify.*

*It’s not unusual to put things in the seat pocket in front of you on a flight for comfort purposes. For example, a mobile phone, a passport, or electrical devices. And it’s unclear to me if Lloyds would’ve taken the same view they did if it was one of these items which are significantly lower in value. In my view, it was an unexpected event and something that you’d expect to be covered by the cover away from home section of the policy – accidental loss.*

*In retrospect, there are several different things Mr P could've done differently – if he'd foreseen potential for loss, but the fact is, at the time, he identified a risk of theft and took reasonable steps to mitigate that and didn't foresee that he'd leave the item on the plane. So, it's not unreasonable that he didn't then take additional steps to mitigate that. So, I don't think Lloyds has acted fairly by declining the claim by relying on the reasonable care policy condition here.*

*I should also add here that Mr P had a previous claim settled for the loss of a necklace which was of a similar value. But the circumstances were different. Mr P left that necklace in a hotel room when he checked out. If this claim was for the same circumstances, then there would be different considerations and I might have taken a different view. But here, the circumstances were very different, and I don't think Mr P failed to take reasonable care for the reasons outlined above.*

*Therefore, unless anything changes as a result of the responses to my provisional decision, I'll be directing Lloyds to reconsider Mr P's claim in line with the remaining policy terms. I also think Lloyds reached an unfair decision to decline the claim for the reasons they did, and this has caused Mr P distress and inconvenience especially taking into account the value of the item he lost. And unless anything changes as a result of the responses to my provisional decision, I'll also be directing Lloyds to pay Mr P £150 compensation for the distress and inconvenience caused."*

So, I was minded to uphold the complaint and to direct Lloyds to:

- Reconsider Mr P's loss claim in line with the remaining policy terms
- Pay Mr P £150 compensation

### **The responses to the provisional decision**

Lloyds responded and said they accepted the provisional decision.

Mr P also responded accepting the provisional decision.

### **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.

And I've thought carefully about the provisional decision I reached. As neither party has provided anything in response to my provisional decision that would lead me to reach a different conclusion, my final decision remains the same as my provisional decision, and for the same reasons.

### **My final decision**

It's my final decision that I uphold this complaint and direct Lloyds Bank General Insurance Limited to:

- Reconsider Mr P's loss claim in line with the remaining policy terms
- Pay Mr P £150 compensation

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

Callum Milne  
**Ombudsman**