

The complaint

Mr M is unhappy that Lloyds Bank General Insurance Limited (“LBG”) declined two separate theft claims.

Mr M had contents insurance underwritten by LBG. He was the sole policy holder but Mrs A’s belongings were covered under the policy and she was authorised to handle things on his behalf. As she made the claim and brought this complaint, for ease of reading I’ll refer mainly to Mrs A.

Any reference to things said by Mrs A and LBG should be taken to include things said on their behalf.

What happened

The background to this complaint is well-known to both parties, so I’ve summarised what I think are the key events.

A few days after returning home from an extended holiday, Mrs A noticed that the jewellery and some cash that she’d packed in her under-seat hand luggage was missing. She claimed under the contents policy. Later, Mrs A also reported that her shed had been broken into and the contents stolen.

LBG appointed a loss adjuster to assess the claims. Mrs A provided evidence of ownership of the jewellery but she was unable to provide any proof of purchase of the list of items taken from the shed. During interview, Mrs A told the loss adjuster that she’d left her bag containing the jewellery under the seat of the plane when she’d used the toilet.

LBG declined both claims. It said the jewellery had been left unattended so Mrs A hadn’t taken reasonable care of her belongings. And LBG said Mrs A hadn’t provided any evidence of ownership or proof of purchase for the shed contents. For both claims, LBG said Mrs A had not reported the claims promptly after identifying the loss.

Mrs A complained. She said her family had been with her bag when she was away from her seat during the flight, so it wasn’t left unattended. And Mrs A said she’d provided receipts for the shed contents, although the individual items were not listed. Mrs A also pointed out that she’d explained to LBG that she and her family had been unwell throughout the flights home and for a few weeks afterwards, which was why there was a delay noticing and reporting the thefts. Mrs A complained that LBG had treated her like a fraudster in the way it had carried out its interviews.

On 16 January 2025, LBG issued its final response. It was sorry that Mrs A felt as though she’d been interrogated, but it explained that given the two claims of theft, it was important to ask the questions it did. LBG maintained its decision to decline both claims for the same reasons it had previously given.

Unhappy with the response, Mrs A brought the complaint to us. Our investigator thought LBG had declined the claims in line with the policy, and he didn’t think it had treated Mrs A

unfairly when assessing the claim. Our investigator didn't uphold the complaint.

Mrs A didn't agree. She provided evidence of ownership of the jewellery and further description of where her family had been sitting on the plane. And she said the receipts and bank statements she'd provided showed that she'd purchased the garage contents. After further correspondence with our investigator, Mrs A asked for an ombudsman 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.

Having done so, while I'm sorry to disappoint Mrs A, I've decided not to uphold the complaint. I'll explain.

The Financial Conduct Authority's rules (ICOBS 8.1.1) say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably.

The complaint is that LBG declined two claims unfairly, so I've considered the evidence, the relevant rules, and the balance of probability when reaching my decision.

Jewellery

Mrs A said the jewellery was placed in a pouch, which was put into her handbag along with loose cash, and other personal items for the journey home. Mrs A noticed her jewellery was missing during the week after she got home, and she thought it was stolen or lost on one of the flights.

LBG declined the claim because Mrs A confirmed she'd left her seat during the flight, leaving her bag unattended under the seat. Therefore, LBG didn't think she'd taken reasonable precautions as required by the policy.

The policy sets out the detail of the contract between Mr M and LBG, so I've looked at the relevant section. The policy provides cover for belongings away from the home and LBG will 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.

On the face of it, I can see why Mrs A disagrees with LBG's decision. She said her family watched her bag whenever she left her seat, which is similar to the watch example given in the policy. But, after carefully considering the circumstances, I'm satisfied that LBG's evidence is more persuasive. That's because:

- Mrs A confirmed the bag's fastener was broken, so the bag can't have been fastened properly.
- Mrs A has described the scenario where she took a family member to the toilet, leaving her bag under the seat. Her family was in the row behind and a passenger not known to her remained in the seat next to the bag. Therefore, the bag was left unattended.
- Mrs A described her family's ill health, and confirmed that she slept during the flight. So it's difficult to conclude that the bag was watched at all times.
- If the bag was watched constantly, as Mrs A describes, then it's difficult to see how the jewellery would have gone missing at all.
- Mrs A valued the jewellery at over £10,000. However much I think it might be reasonable to leave a bag under the seat during a flight, with family in surrounding seats, I can't conclude that it's reasonable to do so when the bag contains £800 cash and over £10,000 of jewellery.

For these reasons, I'm satisfied that LBG reasonably declined the jewellery claim for breach of the policy term which required Mr M to take reasonable care.

Shed

Mrs A also complained that LBG declined her claim for theft from her shed. She provided a list of the contents which were taken, including garden equipment, tools, and a laptop, totalling around £4,000, and £200 in cash. But LBG declined the claim because she didn't provide evidence of ownership.

The policy states:

You must help us look after your claim by doing what we ask.

- *We'll ask you for a list of what has been lost or damaged.*
- *We might ask you to give us proof you own what you're claiming for and its value. This could be things like a receipt, or valuation you had done.*
- *We may ask you to prove that your claim happened as you said it did. For example we might need photos, a video or a report from an expert. If we ask for you to give us proof, you must give it to us or we might not be able to pay your claim. You're responsible for paying any costs that are needed to prove your claim.*

I've seen that Mrs A provided LBG with a comprehensive list of the items stolen from her shed, and links to web pages showing the items. However, the bank statements and receipts she provided did not specify what was purchased.

I accept that it would be unlikely for anyone to keep receipts or have evidence of ownership of each and every item stored in a shed. However, LBG pointed out that Mrs A didn't provide evidence of ownership for *any* of the stolen items.

So, based on the limited evidence available to it, I find that LBG fairly declined the claim for theft from the shed in line with the policy.

Claim validation

Mrs A said she and Mr M were treated like fraudsters during the claim investigation process and it caused them both significant distress. She described the health problems which she thinks were exacerbated by LBG's questions.

The policy states:

We may ask you to prove that your claim happened as you said it did. For example we might need photos, a video or a report from an expert.

If we ask for you to give us proof, you must give it to us or we might not be able to pay your claim. You're responsible for paying any costs that are needed to prove your claim.

You should tell us about your claim as soon as you can. We might not be able to pay some or all of your claim if you don't.

The evidence shows that LBG identified inconsistencies in the description of events, delays reporting the claims both to it and the police, and a lack of clarity regarding the circumstances of each claim. For example, Mrs A had given two different reasons for having a laptop in the shed, and a newly purchased lawnmower was in the shed, with a receipt dated weeks prior to the report of the shed burglary, that Mrs A said they'd bought the day after discovering the burglary.

LBG asked Mrs A why she didn't report the losses until a month after she'd returned home from her travels. Although she explained contact with LBG was difficult due to storm claims taking priority, LBG pointed out that she didn't report it to the police, either, until a month later. Mrs A said her family's ill health had meant there was a delay, but LBG pointed out that she had managed to contact her travel insurer during that time. And the new lawnmower had been purchased prior to her making both claims.

Based on the evidence, I think it was reasonable that LBG needed to check the validity of the claims, and that the questions asked may have seemed more intrusive given the differing accounts. LBG told Mrs A the process was longer due to the time that had passed between the events and the claims, and I think that's a fair comment.

I understand that both Mr M and Mrs A suffer with health problems. I'm sorry to hear that. But I haven't seen anything in the evidence to suggest LBG treated them unfairly when it tried to validate the claims.

In summary, I'm satisfied that LBG declined the claims fairly, for the reasons it gave, in line with the policy, and without avoidable delay. As the evidence suggests LBG treated Mr M and Mrs A fairly and reasonably, there's nothing for it to put right.

My final decision

For the reasons I've given, my final decision is that I don't uphold Mr M's complaint about Lloyds Bank General Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 September 2025.

Debra Vaughan
Ombudsman