

The complaint

Mr and Mrs W complain that Lloyds Bank General Insurance Limited unfairly declined a claim they made under their home insurance policy.

Lloyds is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Lloyds has accepted it is accountable for the actions of the agents, in my decision, any reference to Lloyds includes the actions of the agents.

Mr and Mrs W are joint policyholders, but most of the communication regarding the claim and complaint has been from Mrs W. So, I'll refer mainly to her in my decision.

What happened

Mrs W handed her engagement and wedding rings to her husband while she was showering. Several hours later, she realised she wasn't wearing her rings. Mr W told Mrs W he had put them in tissue and had left them on the windowsill above the toilet.

When Mrs W looked for the rings, they weren't there. She realised she must have accidentally flushed them down the toilet when she was cleaning. She called a plumber who advised her not to flush the upstairs toilets or use any water until he could visit the next day.

Mrs W telephoned Lloyds who told her there was potentially cover for her engagement ring as this was a specified item on the policy.

The plumber was unable to locate the rings, so Mrs W called Lloyds again. She was advised to provide a copy of the plumber's report.

Lloyds later told Mrs W it was declining her claim because the loss of her ring wasn't covered.

Mrs W raised a complaint with Lloyds. It maintained its position to decline her claim, but it paid her £225 to compensate her for some poor communication.

Mrs W remained unhappy and referred her complaint to the Financial Ombudsman Service.

Our investigator didn't think Mrs W's complaint should be upheld. She thought it was fair for Lloyds to decline Mrs W's claim as there was no cover for the loss of her rings under the policy's terms and conditions. She thought the £225 Lloyds had paid Mrs W for poor service was sufficient.

Mrs W disagreed with our investigator's outcome. She thought the policy documents were unclear, vague and misleading. She said the investigator hadn't acknowledged the misleading advice she was given. She didn't feel Lloyds had compensated her for the distress, frustration and inconvenience she'd experienced. She said the £225 was simply a refund of the money she'd paid to a plumber that Lloyds had recommended she hire. Mrs W also provided some comments on why she felt Lloyds had failed to follow complaint-handling rule set by the Financial Conduct Authority (FCA).

As Mrs W disagrees with our investigator's outcome, the complaint has been passed 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.

Having done so, I've decided not to uphold Mr and Mrs W's complaint. I'll explain why.

When a policyholder makes a claim, the onus is on them to show that an insured event most likely caused the loss or damage. Mr W's policy provides cover for loss or damage caused by an event listed in it. For Mrs W's loss to be covered, it would need to fall under one of those events. If it doesn't – then the claim isn't covered and won't be settled.

I can see that Mrs W's engagement ring is listed as a "*specified item*" on her policy schedule. It says there is cover for "*A Ring covered while in your home and temporarily away from your home*".

I've reviewed the events listed in the policy's terms and conditions. There was cover for the ring while in the home under certain circumstances - for example, if the ring had been stolen or was damaged by an event listed in the policy. But unfortunately, there wasn't any cover for *loss* of the ring (or any other item) from inside the home.

The only section of the policy where losing an item might be covered is in the section headed "*Away from home cover*". This says Lloyds will cover contents when they are "*temporarily away from your home*."

I've thought carefully about whether the lost rings might be covered under this section. But the rings weren't temporarily away from Mrs W's home when they were lost. They were lost while they were inside Mrs W's home. So, I'm not persuaded that they were covered under this section of the policy.

Mrs W has commented that there is no explicit exclusion for the loss of such items. But we wouldn't expect insurers to list all the events which *aren't* covered by the policy. So, I'm not persuaded the policy terms and conditions were unclear.

As the circumstance in which Mrs W lost her rings wasn't covered by the terms of the policy, I think Lloyds' decision to decline her claim was fair and reasonable.

I understand Mrs W feels Lloyds should reimburse her for the cost of hiring the plumber, which she says was hired on its recommendation. But according to the information from Lloyds and Mrs W's own version of events, Mrs W had already contacted the plumber before she notified Lloyds of her loss. Given the high value of the rings, I think it's likely that Mrs W would still have wanted the plumber to try to find them even if she'd been told there was no cover under the policy. So, I'm not persuaded Lloyds needs to reimburse her for the cost of the plumber.

Mrs W has commented that she doesn't believe Lloyds followed the FCA's DISP complaint handling rules. She says it didn't adhere to expected timeframes, its communication was vague, it didn't fairly investigate her complaint, and its response to it was dismissive.

From what I can see, Mrs W raised concerns about the decline of her claim on 22 October 2024. Lloyds' final response to her complaint was issued on 4 December 2024, which was within the eight-week timeframe it had to respond to it. I've already explained why I think Lloyds' decision to decline Mrs W's claim was fair, and the reason for this was included in

Lloyds' response letter. I appreciate Mrs W would have liked the opportunity to discuss the matter further, but I'm not persuaded further detail about her case would have made a difference to the outcome.

Lloyds has acknowledged that it gave Mrs W the wrong information over the phone, which misled her into thinking her engagement ring was covered. It's also apologised for some spelling errors in one of its letters. I understand Mrs W is unhappy that Lloyds didn't explain its reason for declining her claim clearly. She's also made us aware that she had to send the plumber's report twice and she wasn't called back on a few occasions.

I think Mrs W experienced some unnecessary distress and inconvenience due to these customer service failings, particularly with respect to the misinformation she was given regarding the cover. However, I think the £225 Lloyds has already paid Mrs W reasonably recognises the impact of its poor service on her. So, I don't require it to do anything further.

I understand this has been an upsetting and stressful situation for Mrs W. The jewellery she lost was expensive and was no doubt of sentimental value to her as well. But unfortunately, her loss isn't covered under the terms of the policy. So, while I appreciate my answer will be disappointing for Mrs W, I think Lloyds' decision to decline her claim was fair and reasonable.

My final decision

For the reasons I've explained, I don't uphold Mr and Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 27 August 2025.

Anne Muscroft
Ombudsman