DRN-5682085

The complaint

Mr and Mrs P complain Lloyds Bank General Insurance Limited trading as Halifax unfairly declined a claim against their home insurance policy.

Mr and Mrs P are professionally represented. For ease of reading, I will refer to their actions collectively as Mr and Mrs P's.

What happened

Mr and Mrs P had a home insurance policy with Halifax. They held a significant amount of cryptocurrency – over £100,000's worth. They say they received a phone call from someone alleging to be from the Police to inform them of an attempted cybercrime, and this ultimately led to Mr and Mrs P taking actions which facilitated the theft of all the cryptocurrency.

They made a claim against Halifax under the contents section of their home insurance policy. Halifax declined the claim. Mr and Mrs P didn't think that was fair, so they asked our Service for an independent review. The Investigator thought Halifax had declined the claim fairly. Mr and Mrs P disagree so 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.

This is a standard home insurance policy with the cover a homeowner might reasonably expect. I say this because it responds to the usual risks to a property and its contents such as fire, flood, storm, escape of water, and indeed theft. And there are the usual levels of cover, including the money needed to rebuild the property and £100,000 for contents.

There is no provision for anything out of the ordinary, such as for £100,000 of cryptocurrency stored on a blockchain, but accessed through a physical ledger stored in the home. I'm not persuaded Halifax knew about the cryptocurrency or agreed to be on risk for it, or that Mr and Mrs P paid a premium for cover they're now attempting to claim against.

The policy says when Halifax will and when it won't pay claims for contents. As I would expect for this type of policy, and as I think a reasonable consumer would expect too, the content relates to physical theft through a break in, force and violence, entry by deception, or dishonest guests. They don't reference circumstances such as a virtual theft/scam call.

I'm not satisfied this policy can fairly be expected to respond to this claim. But even if I was, the policy wording says:

> "*9. Theft*
>
> *We'll pay claims where your buildings or your contents are damaged because someone stole or tried to steal from you or where your contents have been stolen.*

We won't pay claims for your contents:

- *Whilst anyone other than you or your family are staying at your home. We'll pay these claims if force and violence was used to get into or out of the property.*
- *If someone steals from you by lying to you or your family. We'll pay these claims if they only lied to get into your home.*
- *If something's stolen by a guest you or your family invited into your home*."

Halifax says it wouldn't accept the claim because it's policy wording says it won't pay claims if someone steals from the policyholder by lying. I find that's a fair and reasonable position because by Mr and Mrs P's own testimony, they were lied to, not only to get into their home, and this led to them taking actions which facilitated the theft of their cryptocurrency.

And even if I were to conclude Mr and Mrs P could have a valid theft claim, I also find I'm in agreement with Halifax when it says cryptocurrency isn't covered. I say this because the policy defines contents as: "*Household goods, personal belongings and valuables, and home office equipment*." And I agree with Halifax's position on what these are:

> "*The ordinary meaning of the words "personal belongings" in the context of an insurance policy are interpreted as articles of personal use designed to be worn or carried by a person such as a watch or a handbag. Applying the same test in respect of the word "valuables" in the context of an insurance policy include valuable items made of precious metals, jewellery, pictures, works of art*."

While I recognise Mr and Mrs P argue cryptocurrency can be considered personal property, and I make no finding on that one way or the other, in the context of a home insurance policy, I don't find cryptocurrency can fairly be considered household goods, personal belongings, valuables or home office equipment.

The only part of the policy which I find could be fairly considered to apply is "Money", which is separate from the contents. The policy wording sets this out as:

- Currency, money orders, cheques and bankers drafts.
- Current postage stamps, savings stamps, savings certificates and savings bonds.
- Vouchers and pre-payment cards.
- Travellers' cheques, travel tickets, season tickets and phone cards.

I find if Halifax intended for cryptocurrency to be covered by this contract of insurance, it would be set out in this section of the policy because these items are most similar to it. It isn't, which leads me to the conclusion it wouldn't be fair and reasonable for cryptocurrency to be covered under this part of the policy either.

I have a great deal of sympathy for Mr and Mrs P. Clearly, they have been the victim of crime, and the impact has been significant. I'm also sad to hear of Mr P's recent medical diagnosis. But I must approach this matter objectively and be fair to both parties. Having done so, I don't uphold this complaint because I find Halifax treated Mr and Mrs P fairly.

My final decision

I don't uphold this complaint.

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

James Langford
Ombudsman