DRN-5752142

The complaint

Mr E has complained that Lloyds Bank General Insurance Limited unfairly declined a claim under his home insurance policy, accused him of fraud and cancelled his policy.

What happened

On 13 August 2024 Mr E made a claim to Lloyds. He said his property had been burgled while he had been in hospital and various items had been stolen including a fishing reel.

Lloyds contacted Mr E on 15 August and asked for more information about the loss. It asked him for proof of ownership of the items he was claiming for. Mr E said he would see what he could find and send it via the link to his claim.

On 28 August Mr E sent in proof of some of the items he said had been stolen. The proof included two photos of fishing reels.

Lloyds appointed a Personal Claims Consultant (PCC) to investigate the claim further. He visited Mr E at home on 2 September. Mr E told the PCC one photo of a fishing reel had been sent by accident and should be ignored. He confirmed that the other photo showed the fishing reel that had been stolen. He said he didn't own any other fishing equipment. He also said the photos had been taken about four to five months previously when he was trying to persuade friends to go fishing with him.

Lloyds asked Mr E again to confirm the information he'd given to the PCC was correct. He said it was.

Lloyds told Mr E it had found that the photo of the fishing reel had been taken on 19 August 2024, that is after the fishing reel was supposed to have been stolen. Mr E said a misunderstanding had arisen because of language difficulties, English not being his first language. He also said he was on strong medication and unable to concentrate fully. He said the photo was of another fishing reel in his collection that was like the one that had been stolen.

Lloyds said it was satisfied Mr E had given it false information by providing a photo of an item still in his possession and saying it had been stolen. It alleged this had been done to claim a benefit to which Mr E wasn't entitled. So it cancelled the policy from the date of the claim and declined the claim.

Mr E brought a complaint to this service. Our Investigator didn't recommend that it be upheld. She didn't think Lloyds had acted unfairly.

As Mr E didn't agree, the matter 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.

My role is to decide whether Lloyds acted fairly and reasonably when it declined Mr E's claim and took the action it did on the basis that Mr E had been fraudulent. I think it did and I'll explain why.

Mr E's policy says Lloyds won't pay a claim if it is fraudulent or exaggerated. In those circumstances it will cancel the policy from the date of the fraud and won't refund any of the premiums. That's what it did in this case.

Mr E says he has a poor command of English. I'm not persuaded that explains the misinformation he gave Lloyds. I have looked at a transcript of the call Lloyds had with Mr E on 15 August. Mr E seemed able to answer its questions and provide further information in support of his claim. He then had several further interactions with Lloyds over the following weeks during which he continued to confirm that the fishing reel in the photo he'd sent Lloyds had been stolen.

I 've looked at an email Lloyds sent Mr E on 23 September. It said:

"*As mentioned, you have provided photographs for your fishing equipment that have been stolen as seen below.*

[Insert of two photos of fishing equipment]

*Please can you answer the following questions for **both** of the above photographs:*

1. *Are these pictures of the actual items you are claiming for that have been stolen?...*"

I think this was a clear question.

Mr E didn't answer the email. So Lloyds rang him on 26 September and he confirmed that the image on the left in the email showed the stolen fishing reel.

On 7 October Lloyds set out what Mr E had told it in an email to him and asked him to confirm the information was correct. Mr E replied:

"*I have already answered these questions in the previous message and also over the phone. I confirm the fishing machine belongs to me, and I own a lot of fishing equipment but this is the one that is missing. I hope this answer is sufficient*."

I appreciate that English is not Mr E's first language and that he'd only recently come out of hospital when he made the claim. But the misinformation was given on several occasions in a meeting with the PCC, during phone calls and in emails. I think there were several opportunities for Mr E to correct the misinformation previously provided by him. As he chose not to do so, I don't think Lloyds treated him unfairly in not making allowances for any misunderstanding on his part.

In conclusion I'm persuaded that Lloyds has shown it's more likely than not that Mr E was dishonestly trying to gain something he wasn't entitled to. So I am of the view that it hasn't treated Mr E unfairly by classing his behaviour as fraudulent and declining his claim.

My final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 6 October 2025.

Elizabeth Grant
Ombudsman