

The complaint

Mrs E complains about the premium increase on her home insurance policy provided by Lloyds Bank General Insurance Limited.

What happened

Mrs E holds a home insurance policy with Lloyds Bank General Insurance. She made a claim for damage to frozen food in July 2024 for £130. When she received her renewal invitation to renew her policy on 1 June 2025, her premium had increased from £411.21 to £822.42. She got in touch with Lloyds Bank General Insurance, and it reduced the renewal premium to £699.07. But Mrs E doesn't think the increase in her premium is fair. And had she known the impact the claim would have on the premium, she wouldn't have made it. Mrs E wants to cancel the claim, and Lloyds Bank General Insurance to recalculate her premium without this, and fairly.

Lloyds Bank General Insurance didn't think it had done anything wrong. It said Mrs E was told a claim can have an impact on premium at renewal. And it explained what factors impacted the premium. Unhappy with Lloyds Bank General Insurance's position, Mrs E brought a complaint to this service.

One of our investigators reviewed the complaint. Having done so, she didn't think Lloyds Bank General Insurance had given Mrs E any incorrect or misleading information when she made the claim. And she didn't think it had treated Mrs E unfairly in how it calculated the premium before the renewal in 2025.

Mrs E didn't agree with the investigator's findings. She doesn't think her premium increasing by 70% is fair or reasonable in the circumstances. As no agreement was reached, 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.

I've first listened to the call Mrs E had with Lloyds Bank General Insurance when she got in touch about the damage to frozen food. It's clear that Mrs E was concerned about making a claim, and the impact this would have on her premium. But I don't think Lloyds Bank General Insurance gave her any incorrect or misleading information during the call. The advisor explained a claim can have an impact on the premium, but this wasn't something they were able to confirm. I don't think this is unusual. So, I don't think Lloyds Bank General Insurance acted unfairly or unreasonably during this call.

And as Mrs E made a valid claim under her home insurance policy, I don't think Lloyds Bank General Insurance acted unfairly by not removing the claim from her policy. This is an accurate reflection of her claims history. And ultimately, it was Mrs E's decision whether or not to make a claim on her policy. So, I think Lloyds Bank General Insurance could fairly consider this claim when calculating the renewal premium, as appropriate.

I appreciate that Mrs E's premium increased significantly, and the claim she made was only for £130 (from which an excess of £25 was deducted). But an insurer is entitled to decide what risk it's willing to accept in return of a premium. And it's not for this service to tell an insurer how much to charge for a product. So, what I need to decide is if Lloyds Bank General Insurance treated Mrs E fairly and reasonably, and the same it would any other policyholder in a similar situation.

I've carefully considered the information Lloyds Bank General Insurance has shared about the premium increase for Mrs E's policy. Having done so, I'm satisfied it hasn't treated her unfairly in how it calculated the renewal premium in 2025, taking into account the policy and Mrs E's circumstances.

I'm sorry to disappoint Mrs E, but I don't think Lloyds Bank General Insurance has treated her unfairly or unreasonably in all the circumstances of her complaint. So, I don't think there's anything it needs to do, to put things right.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 4 February 2026.

Renja Anderson
Ombudsman