

The complaint

Mrs S complains that Lloyds Bank General Insurance Limited trading as MBNA ("Lloyds") unfairly declined her claim and cancelled her home insurance policy.

Mrs S is being represented with this complaint. But for ease, I will refer to all actions and comments as those of Mrs S.

What happened

The details of what happened are well known to both parties, so I will just summarise them here.

- Mrs S had a home insurance policy with Lloyds which provided buildings and contents cover.
- In June 2024, she made a claim under the policy. She said she had been moving a large television when it fell. She claimed for damage to the television as well as other items she said it had fallen onto. Including a glass cabinet, crystal ornaments, a games console, a television stand, a gaming desk and a gaming monitor.
- Mrs S said she had issues uploading photographs to the claim and this was made worse when the phone that took them was lost, prior to it being inspected.
- Lloyds responded and declined the claim. They said they consider it had been made fraudulently and applied a fraud marker against Mrs S.

Mrs S was unhappy and brought her complaint to our Service for an independent review. She denied any fraudulent claim and was unhappy that the television and other items that had been taken had been disposed of.

Our Investigator looked into it but didn't uphold the complaint. She felt Lloyds had acted fairly and in line with the policy terms. She noted they had offered to replace the television, which had been disposed of preventing Mrs S from being able to repair it.

Mrs S didn't agree. She responded in full, with several pieces of evidence and maintained she hadn't acted fraudulently.

As no agreement was reached, the case 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.

Where an insurer cites the policy fraud condition as a reason to reject a claim, I think it should base that decision on robust evidence. I say this because it is a serious accusation to make and can have consequences that reach beyond the mere claim decision itself. That

said, I'm not making a determination on whether the claim was actually fraudulent or not, but whether Lloyds has acted fairly and reasonably in all the circumstances, which includes Lloyds' reliance on the fraud condition.

There is no dispute that the policy allows Lloyds to reject a claim in circumstances where Mrs S makes a fraudulent and/or intentionally exaggerated claim. That's made clear in the policy where it says under a section headed 'Fraud', *"If you or anyone acting for you knowingly or recklessly.... provides information or documentation to us that is false, misleading or dishonestly exaggerated in relation to a claim... then we will cancel your policy from the date of the fraudulent act, will not pay any part of the fraudulent claim... and will retain any premium you have paid. We will also share this information with fraud agencies"*.

While I acknowledge Mrs S' strength of feeling that Lloyds has treated her unfairly, and the seriousness of an allegation of fraud (and the impact financially and emotionally), I am not satisfied Lloyds treated her unfairly here. I say this for the following key reasons:

- Lloyds instructed a loss adjuster who asked for photographic evidence of the damaged items. They determined that photographs (showing the items) had been taken prior to the date Mrs S said the incident had occurred (13 June 2024). I agree and I'll explain why.
- Lloyds evidenced that when Mrs S uploaded two photos to their claims file, it showed that the photo of the crystal ornaments was taken on 6 June 2024 and the monitor on 11 June 2024. Both dates preceding the reported incident date of 13 June 2024.
- Mrs S gave an initial explanation that the phone had an incorrect date setting and that it was 7 days out. Lloyds didn't believe this and said it would mean they did not notice the incorrect date, and that the phone hadn't updated automatically as expected when connected to data or the internet. They also didn't believe that the phone date had been changed by a third-party (a possible reason given by Mrs S).
- Lloyds said *"if we were to accept this explanation, the photo showing a date of 6 June 2024 would have been taken on 13 June 2024, and the one dated 11 June 2024 would have been taken on the 18 June 2024. However, this does not align with the timeline, as the photos were first uploaded on 14 June 2024. According to their explanation, the second photo would not have even been taken yet, making it impossible for it to have been uploaded on that date"*.
- Lloyds say they requested to inspect the phone, but were told that it had been lost.
- Lloyds have shown that when they presented this information regarding the dates to Mrs S, she then claimed to have taken an identical photo of the monitor on a different date. In summary, stating that a photo was taken on 13 June 2024 and uploaded on 14 June 2024 (without data) and that a second photo was taken on 18 June 2024 and uploaded on 24 June 2024. But due to the phone's incorrect date, the data showed as 11 June 2024. Lloyds didn't accept this.
- Lloyds say they have examined both images and are confident they are the same photo stating *"if they had been taken on different dates, we would expect differences in lighting, angle, or other environmental factors"*. I haven't been provided with any evidence to contradict this.
- Lloyds concluded the damage more likely than not occurred in a different manner to what Mrs S reported. It considered the claim was therefore misrepresented by Mrs S with information she knew to be untrue. This resulted in Lloyds engaging the fraud

condition to this policy. Based on what I've seen so far, I am satisfied Lloyds treated Mrs S fairly when doing so, and its actions thereafter.

In concluding, I find Lloyds acted fairly and reasonably when engaging the fraud policy condition to this claim, and its actions thereafter. It follows I find Lloyds treated Mrs S fairly and reasonably.

For completeness, I note Mrs S experienced some service issues. Namely – Lloyds have disposed of items they took during consideration of the claim. Including the television, games console and monitor. Lloyds have acknowledged Mrs S could potentially have been able to get the television repaired and so have agreed to honour a claim for this.

They have however, said the other times disposed of where beyond economical repair and so Mrs S has not suffered any loss in their disposal. Mrs S doesn't appear to have disputed this, and I have seen no evidence to suggest this isn't the case. So, I think Lloyds are acting fairly to put things right here. I also note compensation has been paid separately under a different reference, for delays. Mrs S isn't disputing this, so I haven't considered it further.

In summary, I'm satisfied that Lloyds are engaging the fraud policy condition fairly in this case in declining the claim and cancelling the policy. Their decision the claim has been materially misrepresented was reasonable and not contrary to the evidence. They have also made a fair offer in regard to the television and Mrs S should contact Lloyds directly if she wants to take that forward.

My final decision

Lloyds Bank General Insurance Limited trading as MBNA have made a fair offer to put things right here of an offer for the replacement television. They should do this now, if they haven't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 6 November 2025.

Yoni Smith
Ombudsman