

The complaint

Mr C and Mrs M complain that Lloyds Bank General Insurance Limited wasn't willing to renew their home insurance policy.

Mr C and Mrs M were joint policyholders, but most of the communication regarding the complaint has been from Mr C. So, I'll refer mainly to him in my decision.

What happened

Mr C and Mrs M held a home insurance policy with Lloyds which ended in September 2024. In August 2024, the broker who had arranged the policy informed Mr C that it couldn't offer him a policy for the coming year.

Mr C was unhappy that he wasn't given a full explanation as to why Lloyds had refused to continue to insure him. He raised complaints with the broker and Lloyds.

Lloyds said Mr C wasn't offered a policy because the flood rules applying to it excluded his property. It paid him £50 to compensate him for a delay in responding to his complaint.

Mr C remained unhappy and asked the Financial Ombudsman Service to consider the matter.

Our investigator didn't think Lloyds had acted unfairly. But Mr C disagreed. He was concerned that Lloyds had based its decision on inaccurate information. He felt it should share the information it had relied on with him so he could address any inaccuracies or accept its decision. 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.

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

Generally, our service wouldn't interfere in a business's decisions which would include the rating factors or risk criteria it uses to decide whether or not to offer an insurance policy. These are commercial decisions which an insurer is entitled to make.

I acknowledge that the government's website says that the flood risk to Mr C's postcode is very low. However, the government doesn't use data in the same way insurers do. Each insurer will use their own data to decide whether or not to offer a policy.

As mentioned, it's for an insurer to decide what rating factors to use. Looking more specifically at the risk assessment that's been applied by Lloyds, it's clear that it's not willing to insure properties in Mr C's postcode. So, I'm satisfied it hasn't treated him unfairly or differently to other customers in similar circumstances.

I appreciate Mr C would like to see more detailed information to explain why Lloyds reached its decision. However, this information is commercially sensitive. So, I don't think it's unreasonable that it's declined to share this information with him.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs M to accept or reject my decision before 20 March 2026.

Anne Muscroft
Ombudsman