

The complaint

Mr C complains that Lloyds Bank General Insurance Limited (Lloyds) sold him a contents insurance policy and have been taking monthly premiums from his bank account, without his consent.

What happened

In April 2025, Mr C complained that Lloyds had been taking premiums from his bank account for an insurance policy without his permission.

Lloyds denied this. They said the policy was taken out in December 2016. They said that although there was a lack of information from the point of sale, there was no evidence it was set up without the knowledge of the customer.

Lloyds provided a copy of a welcome letter and statement of fact, which they said had been sent to Mr C at inception. They also pointed to the fact that a monthly premium had been taken the whole time and that annual renewal letters had been sent. They provided copies of these.

Mr C remained unhappy and brought his complaint to our Service for an independent review. Lloyds subsequently agreed to refund any premiums Mr C had paid for the policy, after leaving the risk address, if he could provide evidence of this. As well as £100 compensation.

Mr C didn't accept this and wanted a full refund of premiums paid. Our Investigator looked into it and concluded Lloyds' offer was a fair resolution to the complaint. Mr C disagreed. As no agreement was reached, the case was passed to me to decide. I issued my provisional findings on 4 March 2026. An extract of which, forms part of my decision below.

What I can't look into

I don't have a free hand to decide complaints. I must act within my powers which are set out by the Financial Services and Markets Act 2000 along with the Financial Conduct Authority's (FCA) Dispute Resolution ('DISP') Rules. These can be found on the FCA's website.

The relevant rule for this complaint is DISP 2.8. It says that where a business doesn't consent (as Lloyds doesn't here), I can't consider a complaint if it's brought to this service more than:

- (a) six years after the event complained of; or (if later)
- (b) three years from the date on which the complainant became aware (or ought to have become aware) that he had cause for complaint.

Mr C complains about the sale of a contents insurance policy in 2016. Six years from 2016, is 2022. He didn't bring the complaint to our service until 2025. Nor did he complain to Lloyds and receive a written acknowledgement between 2016 and 2025. He is therefore, too late on the six-year part of the rule.

The Investigator found Mr C ought to have reasonably become aware of the policy, when he noticed premiums were being taken each month. I agree. I can also see annual renewal documents were sent to his address from 2016 onwards. It follows I find he ought to have been aware he had cause for complaint, more than three years before he brought the complaint.

This started the three-year part of this rule and means that the complaint about the sale of the policy has been brought to us too late.

What I can look into and why Lloyds' offer is fair

The policy renewed each year and that marks a new insured event. Whilst I can't look into the sale of the policy as Mr C didn't bring it in time, I can look at the last six years of the policy and the collection of its premiums.

I agree with the Investigator that Lloyds are acting fairly in not refunding the premiums for this period. I am satisfied that Mr C was or should have been aware of the monthly premium of approximately £20 being taken. And therefore, of the policy being in place.

Further, Lloyds have shown they sent renewal letters each year. So, I can't conclude that Mr C wasn't aware of the policy. Mr C therefore could have queried it at the time if he didn't think he should have a policy and as Mr C could benefit from the policy should a claim have arisen or arise, it's fair that he should pay for it.

However, Lloyds has agreed to consider a refund of premiums for any time after Mr C left the risk address, upon receipt of relevant evidence, for example a change of the electoral roll data. I think this is because it will mean Mr C won't have paid for the policy for when he couldn't have benefited from it.

Lloyds has also offered £100 compensation for the service received, and in particular not picking up on how Mr C may not have benefitted from the policy in recent years when he first queried matters. Given Lloyds has offered to put that right now through considering a refund from when Mr C left the risk address, and the modest impact on Mr C, I find that fair and reasonable.

In summary, I don't intend to uphold this complaint or require Lloyds to do anything further than the offer they have made. I cannot consider the sale of the policy (as this complaint hasn't been brought in time) and I think Lloyds are acting fairly in only agreeing to consider a refund for any time Mr C and his property have not been on risk.

Lloyds didn't respond to my provisional decision.

Mr C responded in full, in disagreement. Amongst his points in reply, he maintained he wasn't aware of the insurance and had never discussed it with anyone at the bank. He said premiums hadn't been taken until 2021. He disputed that the bank couldn't find documents from the point of sale. He denied he'd completed the documentation and questioned why he'd take out insurance for a property he didn't own.

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 haven't been provided with any new evidence or reason to depart from the findings I set out provisionally.

The policy started in 2016, I don't find it unreasonable that Lloyds don't have any more documentation from that time. They have provided a welcome letter which Mr C should have received as it is addressed correctly. I would have expected him to have queried the policy at the time.

Mr C has also confirmed he was paying premiums each month from 2021 but didn't query the policy until 2025. This again suggests to me that he was aware of the policy.

I appreciate he feels he wouldn't have taken out the policy as he didn't own the property. However, this is a contents insurance policy and if he was living in the property (as he says he was) it would have covered his items in line with the policy terms and conditions.

In summary, my findings are as I set out provisionally. I do not uphold this complaint or require Lloyds to do anything further than the offer they have made. I cannot consider the sale of the policy (as this complaint hasn't been brought in time) and I think Lloyds are acting fairly in only agreeing to consider a refund for any time Mr C has not been on risk.

My final decision

The offer Lloyds Bank General Insurance Limited has made is fair and I don't require them to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 April 2026.

Yoni Smith
Ombudsman