

The complaint

Mr N complains about Society of Lloyd's (SOL) handling of a claim under a possessions insurance policy.

All references to SOL include its agents.

What happened

Mr N was covered under a possessions insurance policy (the policy) with SOL. In October 2024, there was an escape of water, causing flooding and damage to Mr N's student accommodation, and he made a claim with SOL.

SOL carried out a video inspection in December 2024, but in January 2025, Mr N raised concerns that SOL had subsequently missed items from the list of possessions he provided.

In January 2025, for the outstanding possessions, SOL said it would arrange to inspect them. This was partly because Mr N didn't have proof of purchase (POP).

SOL also accepted it had offered refurbished items for some possessions where Mr N was entitled to "new for old" cover. It offered Mr N £100 compensation in recognition of the poor service up to January 2025. Mr N didn't agree with SOL's intention to inspect the outstanding possessions, and wanted them replaced immediately.

Mr N remained unhappy with SOL's handling of the claim, and SOL issued a final complaint response in July 2025. It agreed to pay a settlement for Mr N's TV, bedding and clothing, along with interest on the settlements paid, from January 2025. But for the other outstanding items, it said it still needed to inspect them to progress the claim.. It offered Mr N a further £500 compensation for the delays and the distress and inconvenience caused overall. I understand the £500 compensation was since paid.

Mr N referred his complaint to the Financial Ombudsman Service. He was unhappy with delays on the claim and the poor communication. He said SOL's actions, including initially relying on refurbished items, impacted significantly on his mental health and studies. He wanted all his damaged possessions replaced and further compensation.

Mr N confirmed SOL completed the settlement payment in October 2025, as outlined in its complaint response of July 2025. He remained unhappy with SOL's handling and the compensation it offered.

The Investigator didn't uphold the complaint. They said it was fair for SOL to require inspection of the outstanding items. But they acknowledged SOL acted unfairly in initially offering refurbished items for some possessions. And they agreed SOL should've paid Mr N an interim settlement earlier on. But they found SOL acted fairly and reasonably by offering to pay an interim settlement, with 8% simple interest, along with £600 total compensation.

Mr N didn't agree. He said SOL's actions had a significant impact on him, including his mental health. The Investigator asked Mr N for further evidence in January 2026, to support

his comments, but this hasn't been provided.

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.

Mr N has provided a lot of information in support of his complaint. I assure Mr N that I've taken everything he's provided into account. But in this decision I've focused on what I think are the key issues in this complaint. No discourtesy is intended by this, it simply reflects the informal nature of the way that the Financial Ombudsman Service reviews complaints. I understand SOL is considering a further complaint from Mr N, but this decision will focus on the complaint as outlined above.

We've asked Mr N to provide any further evidence he has, that he'd like us to consider, but we've not received anything further. As an informal service, it's not practical for us to keep complaints open indefinitely. And because I'm satisfied I have the information I need to reach a conclusion, I've proceeded with my decision.

Mr N's policy is a perils-based policy. It covers damage caused by specific insured events (perils) only. This means the onus is on Mr N, as the beneficiary of the cover, to show on balance, that the insured event has likely caused damage to the possessions he's claimed for. And if he doesn't show there is damage, then there is no cover under the policy.

The terms of Mr N's policy say the following:

- SOL has the right to decide whether to repair or replace any damaged possessions.
- In the event of a claim, SOL has the right to enter the building and keep possession of damaged property.
- Mr N is required to give SOL all information and assistance it may require, and give SOL all details and evidence it asks for, concerning the cause, and amount of damage.
- It is a general condition of the policy, that where there is an event giving rise to a claim, Mr N is required to supply SOL with proofs, information and other evidence relating to the claim, as SOL may require.

The above outlines the relevant rights and responsibilities of both parties. So I've kept this in mind, and I've considered whether SOL has applied them fairly.

On the matter of the outstanding possessions not yet settled, SOL has asked that Mr N allow its agent to inspect them. This was after Mr N confirmed he still has the possessions, and on the basis that it needs to assess the damage caused by the water. Mr N also doesn't have all the POP, and some items are vintage, so SOL intends to inspect possessions with a view to determining the settlement value. I think this is fair in the circumstances. I've also reviewed the evidence Mr N provided SOL in support of his claim, and I don't think SOL acted unfairly in saying this wasn't enough to demonstrate the above, and that it needed to inspect the outstanding possessions.

Overall, I consider SOL acted fairly in applying its rights under the policy terms, to seek to inspect the outstanding possessions. So I consider it fair for Mr N to allow SOL to do this. I appreciate there was delay on SOL's part in reaching this position, as it could have done this earlier, and I acknowledge this would've caused Mr N avoidable distress and inconvenience.

SOL accepts it ought to have paid Mr N an interim settlement initially, despite there being a dispute over the final settlement. And I agree with SOL that it ought to have paid this in around January 2025. This means Mr N was unfairly deprived of this settlement payment. But in agreeing to pay Mr N the settlement, with interest at the rate of 8% simple, from January 2025, I think SOL has fairly acknowledged the impact on Mr N of having been deprived of this money.

I understand SOL also agreed to pay a reasonable amount for Mr N's CRT TV, while allowing him to dispute this if he's unhappy, with any evidence he can provide to support any increase. I think SOL acted fairly in doing this, and Mr N can contact SOL directly if he has any concerns about or further evidence in relation to this.

Finally, SOL accepts it caused delay in its handling of the claim overall, including initially attempting to settle based on refurbished items for some possessions where Mr N was entitled to new for old cover - albeit I note it acknowledged this error in early January 2025. And I've explained above why SOL didn't act unfairly in asking to inspect the outstanding possessions. So I don't consider it's responsible for any delay as a result of the relevant inspections not being arranged, or the impact of this.

I have no doubt that Mr N suffered substantial distress and inconvenience as a result of the claim. And I have a lot of sympathy for him in his circumstances. But I also think a large part of this is an unfortunate and inevitable consequence of the events giving rise to the claim itself, and SOL can't fairly be held liable for this. But I accept there were shortcomings in how it then handled the claim, as outlined above, that caused considerable additional distress and significant inconvenience to Mr N. And it's right that SOL compensates Mr N for this. But overall, I think the £600 total compensation it offered Mr N is fair and reasonable in the circumstances. I don't consider this is less than what I would have directed it to pay.

I understand Mr N confirmed receipt of £500 so far, and I'd expect SOL to complete payment of the additional £100 compensation it offered in January 2025, if it hasn't done so already.

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 Mr N to accept or reject my decision before 18 May 2026.

Monjur Alam
Ombudsman