

## **complaint**

Mr C complains that Lloyds Bank General Insurance Limited (Lloyds) won't meet the claim he made under his home insurance for damage caused by arson at his house.

## **background**

Both parties know what's happened in this complaint so I won't go into much detail. The crux of the issue is that Lloyds says Mr C hasn't lived at the insured property for a long time and so it's cancelled his cover and backdated that to 1 December 2013. That means it won't meet two claims he made in mid December 2013 and March 2014.

The adjudicator says that electricity bills provided by Mr C don't support his stance that he does occupy the property, so he thinks Lloyds' actions are reasonable.

Mr C says he was living in the house until the incident he claimed for in late November, which made his home uninhabitable. He wants Lloyds to pay the last two claims.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr C has an insurance policy that says he must tell Lloyds if he no longer lives in the property. It warns him that if he doesn't do that the policy might be invalid.

Lloyds says its approach to unoccupied property is to provide a lower level of cover for a year (up to 1 December 2013 in this case) but no insurance after that. That's a commercial decision I think it's entitled to make. It wouldn't be reasonable to expect an insurer to continue to provide the same level of cover when an unoccupied property is more likely to suffer from one of the things it's insured against.

Lloyds tells us Mr C made claims (for theft) earlier in 2013, including one in late November. It says he didn't mention he wasn't living at the property. Lloyds thinks he hasn't lived there since late 2012 or possibly earlier.

Whilst investigating the last two claims Mr C made – one for malicious damage and one for arson – Lloyds found signs that the property hadn't been lived in for some time. It asked Mr C to prove he had been living at the house but didn't think the evidence he provided did that. So it decided to cancel Mr C's policy from 1 December 2013 and returned his premiums. That meant it wouldn't pay the last two claims, although it did pay claims up to mid November 2013.

Mr C says he was living at the property, and only moved out in late November 2013, after his house was broken into and his water tank stolen. I see Lloyds has paid that claim, as the incident occurred before the cancellation date.

The crucial issue is whether Mr C was living at the house after November 2012. If he *wasn't*, then I think it's reasonable for Lloyds to cancel his policy a year later.

I'm not persuaded the evidence Mr C has provided shows he was living in the house. He gave Lloyds some electricity bills to prove he'd been living there. Lloyds looked at these and

pointed out that the energy usage was between 2% and 7% of that used in an average household from 2011 to 2013. I've seen the bills, and I'm persuaded that the electricity usage is so low during 2012 that it indicates no more than occasional visits. I'm not convinced that Mr C's long hours as a taxi driver fully explains why he uses so little electricity.

Added to that, I've seen a report from the agents Lloyds used to assess the damage after the fire. That also indicates that the property has been unoccupied and used as a meeting place by local youths for some time.

I appreciate that Mr C said he could provide some witness statements to support his stance that he was living at the house, but I can also see why Lloyds doesn't accept these. That's because such statements aren't independent in the same way as utility bills are. Lloyds' agent gave Mr C a list of acceptable evidence some time ago – but he hasn't provided anything else.

Given the evidence available, I think Lloyds was acting reasonably when it cancelled Mr C's insurance and backdated that to a year after it believes Mr C stopped living in the house.

I realise that this will be disappointing for Mr C, but I'm not able to uphold his complaint.

#### **my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 April 2016.

Sue Peters  
**ombudsman**