

The complaint

Mr N complains that Covea Insurance Plc (Covea) made a series of administrative errors in relation to his car insurance policy.

What happened

In January 2019 Mr N's vehicle was hit by a third party while unattended outside of his home. He registered the claim with his insurer (Covea) and believes its claims handlers made mistakes which affected his renewal premium.

Mr N said Covea had recorded the wrong vehicle registration number in their files, which led to them incorrectly classifying Mr N as being at fault for the accident in question. He said this affected his no claims bonus (NCB) entitlement at his next renewal, leading to an increased price.

Mr N also complained about Covea's handling of his renewal. After he accepted the policy renewal, there was a delay in receiving his paperwork. And when they arrived, the letters weren't accurately dated, one set of letters was duplicated, and he was sent documentation with another customer's details.

Covea looked at both complaints and upheld them in part. It said it had always logged the accident claim as non-fault. And that it had waived Mr N's excess and his NCB entitlement hadn't been affected, so it didn't agree any mistakes were made.

But it agreed that some administrative errors could have caused Mr N to feel it *had* made mistakes – such as saying an excess was payable in one of its letters and not replying to one of his emails. It apologised for these issues, and offered Mr N £50 in compensation.

In relation to the renewal issues, Covea agreed with Mr N that its service had fallen short of what it would've wanted, so it offered him an additional £75.

Mr N didn't agree and said Covea should pay him significantly more compensation. He said this was based on the level of inconvenience he'd been caused overall and the time he spent trying to get things resolved. He also highlighted some new issues relating to his most recent renewal in 2020.

An investigator looked at the complaint and thought Covea had dealt with the complaint fairly. They didn't think Covea had made mistakes with how it recorded the collision claim, or Mr N's NCB entitlement. And felt the compensation offered to put this right was reasonable for the administrative errors made in relation to the renewal.

The investigator also said Mr N would need to raise the new issues he'd had with the business before we're able to consider it.

Mr N didn't agree and still felt the compensation wasn't enough. So the complaint has been passed to me for an ombudsman's final decision.

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. Based on what I've seen, I've arrived at the same conclusions as the investigator and for broadly the same reasons.

There's no doubt Mr N has had to deal with a number of Covea's administrative errors during the period of insurance. I can understand how he would've been worried that these mistakes could have impacted his premiums and his NCB entitlement. He's also been inconvenienced through having to complain more than once. I've considered his complaint points in turn.

Claim issues

Mr N believed the premium increase he saw at renewal in 2019 was due to errors made by Covea. From the information Covea has provided, it seems that his claim was always recorded as a non-fault. No excess was charged, and his NCB entitlement wasn't affected either. So it seems no mistake was made in relation to how this was recorded. And as a result it seems any increase in price at renewal was related to other factors.

I can see our investigator has already explained that insurance policy premiums can be affected by claims, whether fault or non-fault. So it's possible this could have been the cause of the renewal price difference.

Covea said it accidentally mentioned charging Mr N an excess within a letter. It also made an error with his registration number. Whilst I can see why this caused Mr N some concern and made him feel he had cause for complaint, it seems to me the impact on him was minimal. So I think Covea's offer of £50 alongside an apology is a fair way of putting these mistakes right and compensating him for the inconvenience.

Renewal issues

Covea has admitted it has made administrative errors. I understand how this would have caused Mr N concern, given he was already unhappy with the service received.

Mr N was expecting to receive his renewal paperwork around seven to ten working days after accepting his renewal quote – but it took much longer. Covea has confirmed that it did insure Mr N from the renewal date, so aside from the worry and inconvenience caused, I'm pleased to see Mr N didn't lose out in terms of the cover he'd paid for.

The inconvenience Mr N experienced was mostly to do with having to chase Covea for his documents and receiving more than one set. One of these was for a different customer. I think it's reasonable Covea compensates Mr N for its mistakes, given the number of problems he's faced.

Mr N told our investigator he felt Covea should be paying significantly more than £75. He'd calculated the time he'd spent and felt Covea should be paying an hourly rate.

As the investigator explained, this isn't how we calculate awards of compensation. And while I can understand his frustration, I'm satisfied £75 fairly reflects the inconvenience he's suffered in having to contact Covea several times about its mistakes – taking into account he was insured throughout.

My final decision

Covea has made an offer to pay £125. I conclude that such an offer is fair and reasonable in all the circumstances. My decision is that Covea Insurance Plc should pay Mr N £125 — if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 24 July 2020.

Jack Baldry
Ombudsman