

The complaint

Mr G complains that Covea Insurance plc didn't tell him that a marker would still be recorded against his motor insurance policy on the Claims and Underwriting Exchange (CUE) database after he had repaid his claim. He wants the marker removed or compensation for the effect this will have on his premium.

What happened

Mr G's car was stolen and Covea paid his claim for its loss. The car was then recovered, and Mr G decided to retain the car and so he repaid Covea the claim costs. He thought the claim would be closed and removed from any databases.

But, two years later, Mr G found that there was a "for notification only" marker on CUE and that he needed to report this when he took out policies. Covea said it could have been clearer when explaining to Mr G the effect repaying the claim would have. It offered him £25 compensation. But Mr G remained unhappy as he felt that Covea had acted on false pretences.

Our investigator didn't recommend that the complaint should be upheld. He thought Covea had told Mr G that the theft would be recorded as for notification on CUE. He agreed that Covea could have been clearer about this. But he thought Mr G wouldn't have acted differently if Covea had given him better information. So he thought its offer of £25 compensation was fair and reasonable.

Mr G replied asking for an ombudsman's review, so his complaint has come to me for a 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.

I can understand that Mr G isn't an expert in insurance matters and that some of Covea's communication may not have been as explicit as he wished. He suggested some changes that all insurers could make in how they notify consumers about records of claims. But it isn't my role to consider that here as my role is to consider his specific complaint about Covea. And I'm unable to uphold his complaint and I'll now explain why I think this.

When he had the opportunity to retain his car, I can see that there was an email exchange between Mr G and Covea to clarify the costs and the consequences. Mr G emailed Covea to ask what effect repaying the claim would have on his insurance record. It replied:

"If you were to reimburse us for the full cost of the claim, we would allow your NCB and close the claim down.

The theft would still show up on the claims and underwriting exchange database so other insurers would be able to see it but because your NCB would be allowed and effectively no costs will have been paid out, it shouldn't really have any affect on your future premiums."

So I think Covea made it reasonably clear to Mr G that the theft would still show on CUE. But Covea also told Mr G, after he had repaid the claim:

“I confirm that the insurance theft interest which was recorded against the above registration has now been updated and removed from the insurer system.”

However, this didn't refer to CUE but to the separate Motor Insurers Anti-Fraud and Theft Register where theft markers are recorded.

I think Covea could have made this difference clearer. But, like the investigator, I think that if it had done this then the outcome for Mr G would not have been different. He repaid Covea, the fault claim was closed and recorded as a notification, and his No Claims Bonus (NCB) was allowed. Mr G thought the effect would be as if the theft had never happened. But I think Covea's email made it clear that it would remain on CUE. I think Covea is obliged to record accurate information and so I don't require it to remove the marker.

Mr G thought that if he had been told that he'd still have to report the incident to future insurers as a notification, then he'd have not bought back the claim. He said that he'd then have the money he saved in this to pay any future insurance increases due to the fault claim on his record. But I think Mr G would also have been without his car which he clearly wanted to retain. He'd also have a fault claim on his record and this would have a greater effect on future premiums than a notification. So I'm not persuaded by his argument.

Mr G thought he wouldn't need to report the theft to future insurers as the claim had been closed down and it was available to be seen on CUE. But I think most insurers, and online comparison sites, ask about previous claims or incidents. So I think Mr G would always still have had to report the theft if he was asked about any previous claims or incidents. And I can't hold Covea responsible for Mr G not reporting the incident even though it was “for notification only”.

Covea offered Mr G £25 compensation for the trouble and upset caused by its level of communication. I think that's fair and reasonable as it's in keeping with what I'd award in similar circumstances. I don't require Covea to increase this. Mr G said that he hadn't received this, but I think it was for him to provide Covea with his bank details so that payment could be made. I expect Covea to honour this offer if Mr G wishes to accept it.

My final decision

For the reasons given above, 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 G to accept or reject my decision before 4 October 2021.

Phillip Berechree
Ombudsman