

The complaint

Mr K complains about Covea Insurance Plc's handling of his claim, following damage that was caused to his van during a theft, under his motor insurance policy.

What happened

In November 2019 Mr K says his van was broken into. He says the alarm system was cut. Damage was caused to the bonnet trim in doing so. He says this resulted in water to the fuse box and electrical system. The lock to the side door was also damaged and some work tools were taken.

Mr K claimed to Covea. He says its handling was poor with many delays. He says he paid for the repair to the side door lock and for the repairs to the fuse box and electrical problems. But has yet to receive any money from Covea. Mr K says he can't afford to replace the alarm system but has received a quote for what this will cost. He says his business has been affected by Covea's delays in settling his claim, and this has been distressing.

Covea says due to delays caused by the pandemic its approved repairer couldn't immediately arrange for Mr K's van to be booked in. Because of this he arranged for repairs to be carried out himself. It says Mr K sent an invoice in June 2020 describing repairs for "*non-start + various electrical faults*". Covea arranged for an inspection to be carried out in July 2020.

Its engineer reported repairs were carried out to the fuse box but no further information was available to explain how damage had occurred. He also confirmed the left hand side door handle and lock had been repaired. The engineer contacted Mr K's garage to query the work it undertook. The engineer says the garage confirmed water ingress had occurred into the engine bay. The garage says it replaced the fuse box but was not aware of any issues with the alarm.

Covea's engineer couldn't conclude if the alarm was damaged because of the break-in. He suggested further checks to the electrical system, including the alarm, be carried out to see if there are faults that are attributable to the original claim.

In its final response to Mr K's complaint Covea asked that he provide evidence of the work carried out for the door lock and handle, which it would then review. It acknowledges its responsibility to handle the claim effectively and keep Mr K updated, which it didn't do well in this case. It offered its apologies for these failings and a compensation payment for £175.

Mr K wasn't satisfied with this outcome and referred his complaint to our service. Our investigator upheld his complaint. He thought damage to the alarm and damage caused by water ingress may have been caused by the break-in. Because Covea didn't follow up on its engineer's recommendation for further investigation, it had unfairly denied Mr K the opportunity to have his claim considered correctly.

Our investigator says Covea should pay Mr K for the cost of the electrical repairs he arranged, plus interest. Pay for the alarm repairs or for a replacement and pay for the work

to the lock/handle on receipt of proof of payment.

Mr K agreed to this. Covea disagreed. It says there is no evidence that the electrical damage was caused by the break-in. It says the garage wasn't aware that the van had been broken into when its engineer made contact and wasn't aware the alarm had been damaged. Covea says it hasn't received evidence to show the damage was caused by an insured loss so it can't pay for the costs Mr K has requested.

Covea asked for an ombudsman to review the complaint. It has been passed to me to decide.

I issued a provisional decision in February 2022 explaining that I was intending to uphold Mr K's complaint. Here's what I said:

provisional findings

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

Mr K has raised concerns regarding the theft of tools and personal belongings from his van. In addition to a complaint about a mis-sale. These issues do not relate to his policy with Covea and are being dealt with separately. I won't be considering these points in my decision here.

It's the responsibility of the customer to show an insured loss has occurred. If they can do this then generally the insurer should accept the claim, unless it can show that a valid exclusion applies.

I have thought about the damage Mr K says was caused by the break-in and the evidence provided to confirm his losses.

Covea's inspection report says Mr K told it's engineer that the left-hand side door handle and lock had been repaired. But the business says it hasn't received confirmation of the costs paid.

Mr K has supplied an estimate for repairs to the van door lock and handle. This shows the damaged area needs drilling out, removing and the fitting of replacement parts. The cost is estimated at £288. Covea says it has already agreed to pay for this repair and has asked Mr K several times for proof of payment. It says it hasn't yet received this information.

It's clear the damage caused to the door handle and locking mechanism by the break-in, isn't in dispute. All that is required is for Mr K to provide proof of the work being completed so Covea can provide payment. Based on the information provided he hasn't done this yet. I think it's reasonable that Mr K provides this information to Covea so it can make payment.

The invoice Mr K provided from the repairs he arranged in February 2020 says:

"Investigate vehicle non-start + various electrical faults, c/o standard workshop operations/diagnostics as required, c/o guided control unit test plan procedure., including manual metered tests. (found engine bay fuse box output voltages incorrect) – s/f new fuse box assembly including new external relay, power down all modules, c/o programming and set up as required."

Covea says it spoke to the garage and was told there was water ingress into the engine bay, and it had replaced the fuse box. It says it's not satisfied by the evidence provided that these

repairs were needed because of damage caused by the break-in.

Covea's inspection report says:

"...we suggest that the alarm may have been damaged as a result of the break in but we are unable to confirm this. We suggest that the vehicle is taken to a recommended repairer to have further checks on the electrical system including the alarm to establish if there are any faults to the alarm system that could be attributed to the original claim."

I have read the policy terms to understand what is expected when a claim is made. The terms say:

"At your option, you can arrange for a repairer of your choice to carry out the repairs. You must send the Insurer at least two detailed repair estimates and full details of the incident as soon as reasonably possible. The Insurer will only be liable for the repair costs at a non-approved repairer if the Insurer has agreed that the costs are reasonable and the Insurer has issued an authorisation to the repairer. The Insurer may need to inspect the vehicle."

And:

"We will not pay for any losses that are not directly associated with the incident that caused you to claim, unless expressly stated in this policy."

Mr K arranged for repairs himself because of delays Covea advised in arranging repairs itself, due to the pandemic. I understand why he did this. But the terms are clear that any losses must be demonstrated, approved, and relate to the insured event.

In an email to Covea Mr K says his van wouldn't start, which is why he arranged for the electrical repairs to be completed. This work was completed in February 2020, which was around three months after the break-in. I don't dispute Mr K's account of events. But I don't think he's clearly shown that the repairs directly resulted from damage caused by the break-in in November 2019.

Covea's engineer suggested a further inspection in July 2020. This was to look at the electrics and determine if an issue was apparent with the alarm linked to Mr K's claim. As I understand it this wasn't done. In the circumstances I think an inspection was appropriate to determine whether the damage claimed could be linked to the break-in. Based on the records provided, Covea told Mr K it would arrange for this.

Having considered all of this, I don't think Covea treated Mr K fairly in not arranging a further inspection. This would determine whether the electrical system and alarm were damaged by the break-in. I think it's reasonable that this is arranged to determine if the damage is covered by Mr K's insurance.

I think it's fair that Covea offered £175 compensation. There were delays in the claim being handled. I acknowledge the pandemic impacted on the availability of Covea's approved repairers. But the business concedes it's standard of communication was at times lacking. I think this view is supported by the available records and from Mr K's account of events. But, having considered all of the circumstances I think the compensation provided is fair. So, I won't be asking Covea to pay more.

I said I was intending to uphold Mr K's complaint and Covea Insurance Plc should:

- *arrange an inspection of the electrical system to identify:*

whether the fuse box repairs resulted from the loss claimed; and whether the alarm system was damaged in the break-in – based on the outcome of the inspection it should arrange for repairs to be carried out in line with the policy terms and conditions.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Covea didn't respond to my provisional decision.

Mr K responded to say Covea's engineer wouldn't be able to determine if his alarm was damaged as he didn't have the keys to the van. He says he would have needed to look under the bonnet.

Mr K says he provided the paperwork from the door repair to Covea and presumed this was sufficient. He says he can try to arrange an invoice but can only remember being asked to supply an estimate. He doesn't think Covea offered to pay for this previously.

Mr K says after a few weeks of not being able to work he found an auto electrician who made a "*makeshift*" repair to get him back on the road. This is in response to comments in my provisional decision that repairs took place around three months after the break-in.

Mr K says the garage wasn't aware of the break-in or that the alarm had been damaged because he didn't tell it. He says they don't fix alarms so there was no reason to provide the full story. He says he feels that he's conducted himself correctly despite being ignored by Covea and it failing to abide by the contract in place.

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 acknowledge Mr K's comments about his alarm. In my provisional decision I identified that Covea's engineer recommended an inspection should take place to identify if the damage could be linked to the break-in. It didn't arrange for this to happen. I thought it reasonable for this inspection to be carried out in order to resolve this issue. I think this is still the most appropriate action for Covea to take in these circumstances.

Based on the information I have seen, Covea hasn't received proof of the work to the van door being completed. I note Mr K's comments that he supplied an estimate. But I think it's reasonable for Covea to pay for this work, on receipt of proof the work was completed.

I note Mr K's comments about the makeshift repairs he arranged for his van. This took place prior to the repairs carried out in February 2020. But I don't think this impacts on my provisional decision or my findings here.

I agree that the standard of service Mr K received could've been better, particularly around delays in handling his claim. I have considered his further comments around this point, but I don't think he's shown that the £175 compensation payment Covea provided was unreasonable in acknowledging this.

My final decision

For the reasons I've explained above, and in my provisional decision, I uphold Mr K's complaint. Covea Insurance Plc should:

- arrange an inspection of the electrical system to identify:

whether the fuse box repairs resulted from the loss claimed; and whether the alarm system was damaged in the break-in – based on the outcome of the inspection it should arrange for repairs to be carried out in line with the policy terms and conditions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 13 April 2022.

Mike Waldron
Ombudsman