

The complaint

Mr P complains about how Covea Insurance plc has handled a claim made on his motor insurance policy. He wants his car repaired and compensation for his losses.

What happened

Mr P's car stopped working after he drove through some flood water and he contacted Covea to make a claim. Covea sent a photographer to take pictures of the car and then it instructed an independent engineer to inspect the car. He said there was no evidence of flood damage and the car should be uplifted to a dealer's garage to check the electrics.

Covea said it was for Mr P to arrange this in order to show that an insured event had caused the damage. It said it would reimburse his costs and pay for repairs if the diagnosis showed that an insured event had incurred. But Mr P declined to do this. Covea agreed that it had caused a delay in the claim by not appointing an independent engineer earlier. And it offered Mr P £50 compensation for this, which he rejected.

Mr P provided an engineer's report, but it wasn't from a dealer's garage and it didn't say there was evidence of flood damage. Covea said it had delayed responding to Mr P and it said it would reimburse his costs if he obtained a dealer's diagnosis, regardless of the outcome. But Mr P remained unhappy as he'd incurred costs due to his car not working.

our investigator's view

Our Investigator recommended that the complaint should be upheld. He thought Mr P's policy provided for recovery to a garage if damage had occurred. And he thought Covea hadn't provided this. So he thought Covea should uplift Mr P's car to a dealer's garage for diagnosis. And he thought Covea should offer Mr P £100 further compensation for delays in the claim. But he thought Mr P's policy didn't provide a courtesy car until the car was at an approved repairer. And he thought Covea wasn't responsible for Mr P's other losses unless a claim was validated.

Mr P replied that he wanted his car uplifted for assessment. Covea replied that it would offer £50 further compensation. But it said it was for Mr P to establish that an insured event had occurred. It said if this was shown, then it would reimburse Mr P's costs and deal with the claim.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr P and to Covea on 9 September 2022. I summarise my findings:

Mr P notified Covea that his car had stopped working due to electrical/mechanical failure after he drove through flood water. I could understand that Mr P wanted his car repaired. I could see that it was now some nine months since the incident, and I could understand that this must be causing him frustration and inconvenience.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

Our Investigator looked at the policy booklet, and on page 10 under 'Benefits you receive' it says:

"Recovering your car

If your car is damaged and it can't be driven, we'll pay the cost of moving your car to the nearest approved repairer or place where it can be stored safely. If the repairer is within the territorial limits, we'll also pay the cost of returning your car home after it has been repaired."

Our Investigator thought this entitled Mr P to have his car recovered. But I didn't agree. I thought this only applied *"If your car has been in an incident and can be repaired"* when Covea had accepted and was dealing with a claim.

And it hadn't yet been established that an insured event has occurred. Mr P drove through water, but two engineers didn't find any water damage in his car. And both recommended taking the car to a garage for diagnosis. And I thought Covea reasonably requested that this be done at a dealer's garage. This was confirmed as appropriate by Mr P's own engineer who thought that there may have been water damage to the electrics.

This diagnosis may show that the damage was caused by the water, or that it was due to electrical failure. And I could see that on Page 13 of the Policy Booklet it states,

"We won't insure loss of or damage to your car caused by the following: Any mechanical, electrical, electronic chip or computer software breaking or failing to work properly".

I didn't think it would be fair or reasonable to expect Covea to incur costs when an insured event hadn't been shown to have occurred. So I thought it was for Mr P to show that an insured event has occurred. And so I thought it was for Mr P to arrange for his car to be taken to a dealer's garage for diagnosis to validate the claim.

Covea had already agreed to reimburse these costs and deal with the claim if this showed that the problem was caused by an insured event. And I thought that was fair and reasonable. Mr P had already incurred costs by appointing his own independent engineer. But I didn't think it would be fair or reasonable to expect Covea to reimburse this cost as it had clearly asked for a diagnosis from a dealer's garage.

Covea had agreed that there have been avoidable delays in the claim. These occurred when Covea didn't first appoint an engineer to inspect the car and when it didn't promptly respond to Mr P's engineer's report. But I couldn't say that it needed to compensate Mr P for not removing his car to a garage, for the reasons given above. Covea had offered to increase its offer of compensation for the delays to £100. I thought that was fair and reasonable as it was in keeping with our published guidance.

Mr P said he had incurred costs due to his car not being repaired. If the claim was validated I would expect Covea to reasonably consider these costs on production of reasonable evidence for them.

Subject to any further representations by Mr P or Covea, my provisional decision was that I intended to uphold this complaint in part. I intended to require Covea to pay Mr P £100 in total compensation for the distress and inconvenience caused by its delays in handling his claim, as it has agreed to do.

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 P replied that his complaint was that Covea's engineer hadn't made a thorough enough examination of his car, including an assessment of the electrical system for water damage. He reiterated that his car had been made undriveable by the incident. And so he thought his claim should be covered.

Both engineers said that the car needed to be taken to a dealer's garage for diagnosis. I reiterate that it's for Mr P to establish that an insured event has occurred by arranging for his car to be taken to a dealer's garage for diagnosis. I'm satisfied that Covea has reasonably offered to reimburse his costs if he obtained a dealer's diagnosis, regardless of the outcome. And, if this showed that an insured event had occurred, then it would deal with the claim and consider Mr P's costs.

Covea had nothing more to add. And Mr P hasn't provided any additional evidence for me to consider. So I can see no reason to change my provisional decision.

Putting things right

I require Covea Insurance plc to pay Mr P £100 in total compensation for the distress and inconvenience caused by its delays in handling his claim, as it has already agreed to do.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require Covea Insurance plc to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 14 November 2022.

Phillip Berechree
Ombudsman