

The complaint

P, a company, complains that Covea Insurance plc (“Covea”) has unfairly handled a claim made under a business interruption policy.

Any reference to P or Covea includes respective agents or representatives.

What happened

The facts of this complaint are well established and known by both parties, so I’ve summarised events.

- P initially presented a claim to Covea in 2013. Covea says this claim was closed in January 2016 due to P not providing information.
- In June 2018 P contacted Covea to continue with the claim. Following a further back and forth, Covea says P was slow to provide further information about the claim across the following two years.
- The claim was settled in May 2021 for £29,845.97. P said Covea should pay an additional 8% simple interest per annum on top of this sum to account for Covea’s delays, and that the claim should’ve been paid in June 2018.
- Covea disagreed, saying the claim took some time to be progressed due to P’s inaction and not being forthcoming with information requests to aid the claim. Following this, Covea said delays occurred due to the Covid-19 pandemic. But Covea did agree it had caused delays in places.
- Our Investigator looked into things and didn’t uphold the complaint as he wasn’t persuaded Covea was responsible for all of the delays across the claim.
- P disagreed, providing many emails between its own loss assessor and Covea which it said showed Covea’s delays.
- The Investigator reviewed these, saying it was evident there had been significant delays on part of Covea, even taking into account P’s own delays. But he said the 8% interest this Service would award only applies to a financial loss, and here the claim was already paid so didn’t apply in line with our rules. The Investigator awarded £200 in compensation for the inconvenience given P’s chasing of Covea. And he asked for P to detail if there had been any losses caused by P not receiving the claim payment earlier.
- P disagreed with the assessment, saying it was unfair to find Covea took too long but not award interest as it requested. But P provided no details of any specific loss it had suffered as a result of not having the funds earlier than it did.

So, the matter was 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.

Having done so, I'm upholding this complaint, largely in keeping with our Investigator's previous findings. I'll explain why.

- P's claim has been accepted and paid before the complaint came to this Service. And the outcome of the claim and the sums involved are not disputed by P or its representatives. So, I won't need to discuss the outcome of the claim any further.
- The dispute in this case originates in the time taken to resolve the claim. P says Covea should've resolved the claim soon after the matter was raised in June 2018, and so Covea should pay 8% simple interest to account for this period of delay.
- I've focused on this period of June 2018 onwards within this decision.
- Covea has agreed its agents caused delays in this claim. But it says P has failed to acknowledge the impact of its own delays and inaction.
- Having reviewed all the evidence provided by both sides, I'm in agreement that P's actions at times have delayed matters. Its own loss assessors have been open about this. But the fact remains that it has taken around three years to reach a point of settling the claim. And from the emails I've seen, it's clear P's agents were chasing regularly for updates and looking to move the claim forwards on many occasions across this time.
- So, I'm satisfied Covea hasn't progressed the claim promptly and fairly as I would expect.
- This leads me to consider what the appropriate remedy would be in the circumstances.
- P argues I should award 8% simple interest on top of the claim settlement figure.
- The FCA Handbook, section 3.7 outlines the type of awards an Ombudsman can make. This includes money awards, interest awards amongst others.
- Given the nature of P's complaint, I'll start with "*Interest awards*". The rules state:
"...an interest award may provide for the amount payable under the money award to bear interest at a rate and as from a date specified in the award."
- So, it's clear to me that any sort of interest award would need to stem from a money award. And under our rules, interest can't be awarded without such a money award to attach the interest to. Here, there is evidently no such money award to attach the interest to, as the claim was settled outside of this Service and does not form part of my decision or direction.
- Under "*Money awards*" the rules state a money award can account for financial loss (including consequential or prospective loss), pain and suffering, damage to reputation, and distress or inconvenience.
- P has provided no detail as to any impact of not having the funds earlier than it did, despite our Investigator asking for details of this. So, I've been given nothing to persuade me P has suffered any sort of financial loss as a result of not having the claim settlement earlier than it did. It follows I'm not persuaded to direct Covea to pay P for any financial losses as it simply hasn't provided any details of any.
- As above, I'm also able to consider any inconvenience (but not distress as P is a limited company) caused by such delays. The majority of the chasing and requests to progress the claim I've seen have been by P's loss assessor. So, it seems to me the loss assessor's actions would've cushioned the administrative impact of the delays

on P itself. And I can't make any award to the loss assessor or for their inconvenience. As a result, and based on the evidence provided, I think the £200 compensation is a fair figure to put things right for P.

My final decision

I uphold this complaint and direct Covea Insurance plc to pay P £200 in compensation for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 10 January 2023.

Jack Baldry
Ombudsman