

The complaint

Ms P complains about how Covea Insurance Plc (“Covea”) dealt with a claim she made on her car insurance policy.

What happened

In June 2022 Ms P was involved in a road traffic accident and so she made a claim on her insurance policy.

Due to the circumstances of the accident Covea appointed a third-party company, who I’ll call “C”, to validate the claim.

C interviewed Ms P and analysed the accident circumstances to provide information to Covea on their assessment of the claim.

Covea took C’s findings into consideration and decided to decline Ms P’s claim.

In August 2022 Ms P received a letter from Covea. It said it would no longer be dealing with any aspect of the claim due to the concerns it had with the validity of the incident. Covea advised Ms P to remove her car from storage as it wouldn’t be responsible for the storage fees.

Ms P was unhappy with this decision. She complained to Covea and says she wants it to pay the claim under the terms of the policy.

Covea didn’t uphold Ms P’s complaint. Covea said it had concerns regarding the validity of the claim and so it carried out some additional checks. It said in July 2022 its claims department made the decision to withdraw indemnity and informed Ms P it would no longer be dealing with her claim. Covea said it instructed an independent investigator and an independent engineer to investigate the matter,. Covea said it would be unable to provide the exact concerns as it doesn’t want to prejudice its position by disclosing full details of the concerns or evidence. Covea recommended Ms P obtain her own legal advice.

Ms P wasn’t happy with Covea’s response so she referred her complaint to this service. Our investigator looked into things for her. She said whilst she could see Covea believed it had a valid reason for declining the claim it hadn’t given Ms P an opportunity to respond to those concerns. And she didn’t think that was fair. So she said Covea should put its concerns regarding the validity of the incident to Ms P and give her an opportunity to answer them.

Covea didn’t agree. It reiterated its reasons for declining the claim and felt this was enough. Covea said it didn’t want to prejudice its position by disclosing full details of its concerns or evidence. So the complaint has come to me to decide.

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've decided to uphold the complaint for broadly the same reasons as the investigator.

Our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses, like Covea, as confidential for a number of reasons. And so I am not able to comment specifically on everything I have seen.

I think it's important for me to explain how I've considered the complaint. Covea have declined Ms P's claim and it has provided this service with information and evidence which explains why it has done so. As stated above I'm unable to comment on this in detail.

The relevant industry rules say an insurer should handle claims promptly and fairly and shouldn't unreasonably reject a claim.

In its letter to Ms P informing her it was no longer dealing with the claim it said, "*due to the serious concerns we have with the validity of the alleged incident as a whole...we are withdrawing our position in regard to indemnity.*" Covea hasn't specified which term of the policy it is relying on to decline the claim. And I don't think this is fair or reasonable in the circumstances. This is because Ms P should have the opportunity to prove her claim is genuine or explain the issue the insurer has concerns about.

I can see Ms P was interviewed at her home regarding the incident circumstances. And she provided a handwritten signed statement detailing her recollection of events. But I can't see she was ever questioned about the issues Covea had with her statement.

When considering all the evidence I've seen, although I recognise the reasons for Covea's concerns, I don't think they're strong enough to satisfy me that it was reasonable to decline the claim. Especially given the concerns haven't been put to Ms P to enable her to respond and prove her claim.

I understand Covea doesn't wish to prejudice its position by disclosing full details of its investigation. But I think it can put some of the key concerns to Ms P without prejudicing its position.

And so I think Covea must take steps to place Ms P back in the position she would've been in had it not acted unfairly. To do this I think it needs to explain its concerns about the validity of the alleged incident and give Ms P an opportunity to answer these. And assess the claim thereafter.

Putting things right

In order to put things right for Ms P I require Covea to do the following;

- Re-open the claim and put its concerns to Ms P so she has an opportunity to respond
- Reassess the claim thereafter

My final decision

For the reasons outlined above I uphold Ms P's complaint about Covea Insurance Limited and direct it to resolve the complaint as I have detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 14 April 2023.

Kiran Clair
Ombudsman