

The complaint

The estate of Mr H complains that Covea Insurance plc (Covea) unfairly refused to meet a claim made following Mr H's death, and that a subsequent offer to meet the claim in part isn't fair.

What happened

I'm not going to go over all of the information for this complaint as what happened is well known to both parties. In summary, in late 2020 Mr H fell at the residential home where he lived and damaged his hip. He had treatment in hospital. Some months later he had further surgery on the same hip. About a fortnight later he fell from his bed and was again hospitalised. Sadly Mr H died a little while later.

When Mr H's representatives claimed on a policy Mr H held for his accidental death, Covea initially said it wouldn't consider the claim because the policy had lapsed some months earlier. It later acknowledged this was a mistake and agreed to consider the claim. It also paid Mr H's representatives £500 to make up for this.

When it considered the claim Covea said it need not pay anything because Mr H's initial accident wasn't the sole cause of death.

Mr H's representatives complained but Covea didn't change its stance, so we were asked to review the complaint. Whilst we were doing this Covea reconsidered its position and offered to pay 20% of the claim. It based the amount of the offer on medical information it had had since April 2022.

Mr H's representatives refused this offer when it was put to them by our investigator.

Overall, our investigator thought Covea had acted fairly and that it need do no more than pay the amount it had offered. So he didn't think the complaint should be upheld. I was asked to decide this complaint.

I sent my provisional findings to both Mr H's representatives and to Covea last month. In that I said I thought Covea had had enough information to make a partial payment on Mr H's insurance policy in April 2022 but didn't make an offer to Mr H's representatives until October. I thought the amount Covea offered (20% of the amount listed on Mr H's policy) was fair, as it had been based on the medical advice Covea obtained in April. I did think though that Covea could have made the offer in April, so I thought it fair for Covea to add interest at the statutory rate of 8% to the payment.

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.

Both parties have responded to my provisional findings.

Mr H's representatives say they don't think the amount offered is enough – they think 50% of

the policy limit is more appropriate. They say they're disappointed that Mr H's other underlying conditions were factored in so heavily as a contribution to Mr H's death.

I can't say how much Mr H's underlying conditions contributed to his untimely death. But I still think it's reasonable that Covea rely upon the medical opinion that it commissioned when considering the claim. That suggested Mr H's fall had contributed between 10 and 20% to the cause of death. As Covea offered 20%, the upper amount, I remain persuaded that this is a fair offer in the absence of any other compelling information.

Covea objects to adding interest to the payment. It says it correctly declined the claim as the medical opinion it had clearly said the fall wasn't the sole cause of death. So the circumstances of Mr H's death didn't meet the terms and conditions of the policy. It says it only reconsidered its position and made the partial offer after it received the coroner's report issued after an inquest into Mr H's death had taken place many months later.

That doesn't persuade me to change my provisional findings. I appreciate that the coroner clearly stated that the fall was a contributory factor to Mr H's death. But Covea already knew that in April 2022: its own medical report said this. So the coroner's report effectively confirmed this. I can't accept the premise that an insurer need only meet such a claim – even if part – without a coroner's report. That simply isn't a burden those who have lost loved ones should have to suffer when making a claim, when an insurer already has sufficient evidence to meet the claim in part. I remain of the opinion that Covea could and should have offered the settlement many months before it did.

Putting things right

To put things right Covea must pay to Mr H's estate 20% of the amount due under the policy plus interest at 8% simple per annum from 30 April 2022 to the date of payment. If Covea has to deduct tax from the interest paid as HMRC may require, it must provide a statement of the amount deducted to Mr H's representatives.

My final decision

My decision is that I uphold this complaint and require Covea Insurance plc to make payment to the estate of Mr H as described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr H to accept or reject my decision before 2 June 2023.

Susan Peters
Ombudsman