

The complaint

Mrs E complains about Covea Insurance plc's (Covea) handling of her home insurance claim. Any reference to Mrs E or Covea in this final decision includes respective representatives and agents unless specified otherwise.

What happened

The background of this complaint is known in detail to the parties involved. So I'll summarise what I've found to be the key points.

- Mrs E made a claim on her Covea home insurance policy for significant damage to her building and contents. She appointed loss assessors and surveyors to establish a detailed breakdown of the reinstatement work required. Several tenders for this work were obtained by Mrs E's loss assessors and presented to Covea.
- Covea accepted the claim, but it wasn't satisfied with the scope and costings of the tenders provided, so it appointed its own loss adjuster and surveyor to review the claim and made a cash settlement offer to Mrs E on the back of this. Mrs E didn't accept the cash settlement as it was notably less than the reinstatement costs calculated by her appointed surveyor.
- Mrs E complained to Covea about this as well as its lack of response to enquiries and poor communication. She says this resulted in delays leaving her (and her child) without heating in parts of their home during the cold winter period which was distressing and exacerbated a health condition she suffered from.
- Covea didn't uphold the complaint. It said the delays to Mrs E's claim were the result of her insistence on a cash settlement and the fact her loss assessors obtained tenders for the work without prior agreement from Covea, producing an inaccurate scope and costing. It therefore had to carry out this work again with its own appointed parties and was in ongoing negotiations with Mrs E's loss assessor to reach a fair settlement based on these findings. Mrs E brought a complaint to this service.
- On allocation to our investigator the only matters left in dispute were the delays and poor communication. He found there'd been avoidable delays on Covea's part, and that Mrs E often had to chase it for responses – including when it was made aware of the issue with the heating. He said this wasn't reasonable given Mrs E's health condition and recommended £300 compensation for the distress and inconvenience caused.
- Mrs E accepted the investigators findings, but Covea disagreed. It maintained that Mrs E's insistence on a cash settlement was the main cause of the delay and that as the scope of works was still under review at the point Mrs E was without heating in parts of her home, it couldn't help with additional heating measures until it was clear the loss of heating was the result of the insured peril.
- Covea asked for an Ombudsman to review the case, so the complaint has been passed to me to make a 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.

- As set out above the only matter left in dispute in this case is Mrs E's complaint regarding Covea's delays and poor communication in relation to her claim. So that's what's being considered in this final decision.
- Covea must handle claims promptly and fairly. But from what I've seen, I'm persuaded this claim took longer to resolve than it should have. Much of this was because the parties couldn't agree on a fair settlement, but I think Covea could've communicated better at points of the claim to resolve this sooner.
- Covea argues the delays were caused mainly by Mrs E's *insistence* on a cash settlement, meaning it had to re-cost and scope the work after she provided inaccurate tenders, adding on more time to the claim.
- But Mrs E says she was always open to Covea carrying out the repair works and that she only had the work surveyed and scoped by her own parties to help expedite matters as she and her child were living in a property with significant damage.
- This is further supported by her loss assessor confirming this in writing to Covea during the claim process and the fact that from what I've seen, she subsequently went on to have Covea carry out the repairs instead of receiving the cash settlement.
- On balance I'm persuaded by Mrs E's testimony regarding the claim settlement and so I don't think she's entirely responsible for the delays caused by Covea having to re-cost and scope the work. And had Covea been more prompt in clarifying the most suitable method of settlement with Mrs E, I think it's likely the claim could've progressed sooner than it did – if Mrs E accepted Covea carrying out the works, there likely would've been no need for further time taken to explore the cash settlement which is what Covea essentially say caused the delay.
- From what I've seen, Mrs E's loss assessors had to chase Covea for responses and updates on several occasions during the claim, including the period she was without heating in parts of her home.
- While I acknowledge Covea's comments that the scope and costings were still under review at that stage, it should've still provided a reasonable response in a timely manner – especially given the time of year and Mrs E's health condition.
- It was already a stressful time for Mrs E given the significant damage to her family home and the impact this had on her living areas, so I can understand why Covea's lack of prompt response was upsetting to her.
- It follows on balance of everything I've seen, I'm persuaded that there were avoidable delays on Covea's part in this case and at points it communicated poorly with Mrs E.
- Our investigator recommended £300 compensation to recognise the distress and inconvenience caused to Mrs E. I don't think this is unreasonable and is broadly in line with what I'd expect. Covea should therefore pay this amount to Mrs E.

My final decision

For the reasons set out above my final decision is that I uphold this complaint and Covea Insurance plc should pay Mrs E £300* compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 6 October 2023.

Covea Insurance plc must pay the compensation within 28 days of the date on which we tell it Mrs E accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.*

*** If Covea Insurance plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs E how much it's taken off. It should also give Mrs E a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.*

Rosie Osuji
Ombudsman