

## **The complaint**

Mrs S and her husband Mr S complain that Covea Insurance plc mishandled a claim on a motor insurance policy.

## **What happened**

The subject matter of the claim and the complaint is a car, first registered in 2015.

Mr and Mrs S acquired the car no later than September 2016, the date of its most recent V5 registration document.

For the year from mid-September 2022, Mrs S had the car insured on a comprehensive policy. She was the policyholder. The policy also covered Mr S as a named driver.

The policy was branded with the name of a bank and arranged and administered by an insurance intermediary or broker. Covea was the insurance company that was responsible for dealing with any claim on the policy.

Unfortunately, Mr and Mrs S reported that, in November 2022, an incident involving a third party caused minor damage to the car. Mr and Mrs S considered the third party responsible, but the third party disagreed.

Mr S contacted the broker. It put him in touch with an accident management company to pursue a claim against the third party (or the third party's insurer).

By early January 2023, Mr S contacted Covea.

Covea asked Mr and Mrs S to confirm that they wanted to pursue a claim to Covea under her policy rather than against the third party through the accident management company (Covea has referred to this as a "U turn").

On about 13 April 2023, Mr S complained to Covea about the handling of the claim and about delay.

On about 14 April 2023, Covea instructed a repairer.

By a final response dated about 11 May 2023, Covea said that between January and April 2023, it had told Mr and Mrs S that it couldn't act until the accident management company had sent Covea documents to show what it had done. Covea said that it had followed its correct process when awaiting the documents before taking over the claim.

However, the final response said that Covea was (in May 2023) dealing with the claim without the documents. So Covea said that it could appreciate Mr and Mrs S's frustration. Covea upheld the complaint and said that it would send Mrs S £100.00.

By a final response dated about 6 June 2023, the intermediary apologised for a 20-day delay in sending the initial instruction to the accident management company. The intermediary said it was sending Mrs S £100.00 compensation.

Mr and Mrs S brought the complaint to us in mid-July 2023. They asked for a repair, a refund of insurance and payment of compensation for time and stress.

Our investigator dealt with the complaint as a complaint against Covea. She recommended that the complaint should be upheld in part. She thought that Covea was responsible for the delays which occurred from January to April 2023. She thought that – after Covea instructed a repairer - additional delay from mid-April to mid- May 2023 caused Mrs S such trouble and upset that she withdrew the claim.

The investigator recommended that Covea should:

1. pay Mrs S additional compensation of £150.00; and
2. deal with the claim, subject to the policy terms.

Covea disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, in summary, that:

- It was willing to assist.
- But it needed confirmation that it should be handling the claim.
- It proactively chased the accident management company.
- The issue was that the accident management company wasn't cooperating or providing documents required to progress Mrs S's claim.
- £250.00 seems excessive.

Mr and Mrs S disagreed with the investigator's opinion in part. He says, in summary, that:

- Covea should pay more compensation for his time and stress.

### **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.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules.

One of those rules is that, before we can investigate a complaint, the consumer must first have made that complaint to the regulated firm and waited for up to eight weeks for a final response. It follows that we can't usually investigate complaints about acts or omissions that happened after the complaint that led to the final response.

We look at a consumer's complaint against one regulated firm at a time.

In Mr and Mrs S's case, I have looked at Covea's acts or omissions about which they complained in April 2023 (but not other acts or omissions).

I don't hold Covea responsible for the distress and inconvenience that Mr and Mrs S suffered as a result of the accident.

Part of the complaint was that the bank had incorrectly forwarded the case to a car hire company or an accident management company. I've identified that the bank had lent its brand name to the intermediary. Covea had authorised the intermediary to administer the policy on its behalf.

However, the intermediary's action of putting Mrs S in touch with an accident management company wasn't, in my view, an action of administering the policy on behalf of Covea. So I don't hold Covea responsible for that action or its consequences.

Similarly I don't hold Covea responsible for the intermediary's delay in sending the initial instruction to the accident management company.

I don't hold Covea responsible for the distress and inconvenience that Mr and Mrs S suffered as a result of the intermediary putting her in touch with the accident management company.

Nevertheless, I consider that, by early January 2023, Covea was aware that Mrs S wished to pursue a claim under the policy. And I consider that Covea spent too much time on fruitless requests to the accident management company and not enough time on getting Mr or Mrs S to confirm that the car was still unrepaired.

In my view, Covea should've instructed its repairer in January 2023. That would've provided confirmation that the car was still unrepaired. Also, as the car hadn't been in for repair, there was no question of charges for repair or storage.

Covea belatedly instructed its repairer at around the time that Mr and Mrs S complained in mid-April 2023.

I consider that – as its final response recognised - Covea had caused Mr and Mrs S unnecessary additional distress and inconvenience at an already difficult time for them. That included some of the time and effort Mr and Mrs S had spent in pursuing their claim and complaint to Covea and others.

After Covea's final response, the intermediary gave a final response. I'm not dealing with the complaint identified in that later final response. I don't give Covea credit for the intermediary's payment of a further £100.00.

Mr and Mrs S had the benefit of the insurance policy for the full year from mid-September 2022. So I see no basis on which it would be fair to direct Covea to make a refund of premium.

### **Putting things right**

Covea tried to put things right by paying £100.00. But I don't consider that this went far enough. Keeping in mind the impact on Mr and Mrs S for about four months, I consider that a fairer amount is £250.00.

It's unfortunate that neither Mr and Mrs S nor Covea has told us whether it has now settled her claim.

Nevertheless, in view of my findings of delay, I conclude that it's fair and reasonable to direct Covea to deal (in line with the policy terms) with any claim that Mrs S had made under the policy arising out of the incident in November 2022 insofar as it hasn't already dealt with such claim.

I've thought about whether it would be fair to direct Covea to pay interest on any money paid to Mrs S in settlement of the claim. However, the context is minor or cosmetic damage to an older car, for which Mr S expressed a preference for cash in lieu of repair. So I don't regard it as a case where Mr and Mrs S were out of pocket for the cost of repair.

I consider that the proposed compensation totalling £250.00 is enough without interest on any settlement of the claim.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Covea Insurance plc to:

1. deal (in line with the policy terms) with any claim that Mrs S had made under the policy arising out of the incident in November 2022 insofar as it hasn't already dealt with such claim; and
2. pay Mr and Mrs S (jointly and in addition to the £100.00 it has already paid) a further £150.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 21 February 2024.

Christopher Gilbert

**Ombudsman**