

The complaint

Miss P and Mr S have complained about the repairs Covea Insurance plc arranged for their car under their motor policy following an accident where their car was damaged in a car park when parked.

Given our primary contact has been Mr S, I shall just refer to him throughout for ease.

What happened

Following the accident, given Mr S' car was damaged when parked in a car park, he made a claim to Covea. There was talk of writing it off but ultimately Covea repaired it.

Mr S said that from the start he told Covea about his concerns of any matching paint issues should his car be repaired, given it was an older car. He said Covea told him if there was any problem with mismatching paintwork it would be fixed.

Mr S said there were distinct differences between the old paint and new paint on the repairs. He asked Covea to make this good as it promised.

Covea admitted its operatives had made a mistake in their reassurance to Mr S about this issue and paid him £300 compensation. But Covea said it couldn't re-spray the whole car as that would constitute betterment.

Mr S said he was preparing to sell the car but for the accident and he now feels the car's value has depreciated greatly. He doesn't think it's right or fair that Covea shouldn't either re-spray the whole car or instead write it off giving him the market value. He also feels quite strongly that Covea and its engineers have lied to him about this matter and manipulated matters so that he has lost out. Also, the approved repairers put the wrong badge back on his car, but Covea said this could be rectified.

As Covea wouldn't change its stance, Mr S brought his complaint to us. The investigator didn't think Mr S' complaint should be upheld. Mr S disagreed so his complaint has been passed 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'm not upholding this complaint. I'll now explain why.

I appreciate and understand that Mr S will be deeply disappointed by my decision. However, in situations like this we must look at what the policy says about this issue. This is because I have no authority to ask Covea to go outside the terms of the policy as regards repairing Mr S' car.

The policy says the following:

'2. Damage to the car

...

What is not covered under section 2:

Any reduction in the market value of the car following repair.

Any part of the cost of repair or replacement which improves the car or its accessories beyond its condition immediately before the loss or damage occurred.'

So, this says that in doing repairs there is no liability from Covea if that reduces the market value afterwards. And there's no duty on Covea to pay for any repairs which in fact improve the state of the car as it was before the accident. This last issue is commonly called betterment. This sort of term is in almost every other motor policy, so I don't find it unusual.

There is no dispute the repairs to Mr S' car sadly ensured there is a tone mismatch in the new painted parts in comparison to the tone of the paint on the rest of the car.

Mr S himself acknowledges his car was old before the accident, and that he wanted to sell it to buy a new car. The engineer noted that before the accident, the car had some pre-accident damage, and the paintwork was faded and dull. This is to be expected from an old car, so I don't find this unusual.

However, the terms and conditions of this policy and indeed insurance law generally on the issue of betterment doesn't confer any duty on an insurer like Covea to re-spray the entire of Mr S' car at the insurer's cost to properly match up the paintwork. To do that would be improving the condition of Mr S's car and there is no duty on Covea to have to do that too. On that basis I don't consider Covea has done anything wrong here in refusing to do this. As Covea explained to Mr S the pre-accident state of his car's paintwork wasn't part of the insured peril it was insuring under this policy. In other words, it merely insures to rectify any damage or if there was so much damage to make the car uneconomical to repair, it then insures the market value of the car.

Further, as the investigator explained, the policy terms of Covea's policy, (in line with the motor insurance industry also) permits the insurer, not the policyholder to decide whether a car is repairable or should be written off. That's a decision the insurer makes not the policyholder. So, there is no duty on Covea to then deem Mr S' car to be a total loss and pay him the market value as he suggested, having already repaired it. And again, I don't think Covea has done anything wrong here either in deciding to repair Mr S' car.

I do understand Mr S' frustration at this because if the accident hadn't happened, he could have gone on happily and sold his car without this mismatching paint tone issue. But as his car was older, the paint work would have remained more faded. However, it remains that the only duty Covea had given the accident, was to decide itself if the car was repairable. If it was, then its duty is limited to repairing the damage only and nothing more. If it wasn't, then its duty would be to pay Mr S the market value of his car. That's the basis on which premiums are calculated.

However, what did go wrong was that Mr S from the very start was very concerned about the potential of there being a mismatch in paint tone on his car after the repairs. He went to some trouble to explain this to both Covea and its approved repairers. And he received fulsome reassurance from Covea's operatives that any such mismatch in paint tone would also be rectified. This was incorrect. Covea has admitted that and confirmed its operatives gave Mr S misleading information. It has paid Mr S £300 compensation for this level of

miscommunication. I consider that's in line with our approach on compensation for such errors and therefore I'm of the view this level of compensation is fair and reasonable. Covea also refunded Mr S' excess as given his car sustained damage in a car park, the accident could never be said to have been Mr S' fault. It did this without any admission from the other driver's insurers at the time, so I consider that's also reasonable.

Mr S also felt that the independent engineers Covea appointed to examine this mismatching paint tone was only done by Covea to make matters harder for Mr S. I can understand why Mr S thought that, but I can see no evidence that it made any difference as in reality it merely confirmed the condition of Mr S' car not affected by the accident.

I understand the approved repairers can put on the right badge should Mr S wish it to do so. So, in conclusion, I don't consider Covea did anything wrong but for the incorrect assurances given to Mr S. I consider Covea's compensation in that regard plus the refund of the excess to be fair and reasonable too.

My final decision

So, for these reasons it's my final decision that I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P and Mr S to accept or reject my decision before 8 March 2024.

Rona Doyle
Ombudsman