

The complaint

Miss D complains that Covea Insurance PLC (Covea) unfairly handled her claim under her contents insurance policy.

What happened

Miss D contacted Covea as there was damage caused to her sofa. Miss D submitted some photos of the damage to Covea. Covea said that once it had inspected the photos it found that there was a very small area of damage. It contacted its contractor who confirmed that the repair costs would be minimal. It offered a settlement figure of £120. But as the excess of £100 would be payable, it paid Miss D £20.

Miss D said that she had been advised by the sofa retailer that her sofa was badly damaged and potentially needed to be replaced. She requested an inspection visit. Covea said that a visit could take place, but this would mean that Miss D would have to pay the policy excess. Covea explained that the policy Miss D held, provided that where costs are incurred, during the claim, the claim would be fully recorded. And once this had been done, it would impact her no claims discount.

Miss D was unhappy by this as she felt she should have the sofa inspected before an actual claim was recorded. So, she complained to Covea, about this and its handling of her claim. Covea offered Miss D £50 compensation for the poor service she experienced. But in its final response, it maintained its position that the excess was chargeable, as to have an inspection visit, there would be a cost to them, and Miss D would be making a claim.

Miss D remained unhappy with the outcome, not least as she felt the excess ought not to be charged before an inspection took place. And, as she was given her referral rights, she referred a complaint to our service. One of our investigators considered the complaint and didn't think it should be upheld. He said that under the policy terms, Covea were entitled to charge an excess. And as there was going to be a cost to them to send out an inspector, it was reasonable for it to charge the excess. He also felt that the compensation offered for the poor service was fair.

Covea accepted the view, Miss D did not. She said she understood the need to charge an excess, but she felt that a physical inspection should take place before the excess becomes payable. She said that the physical inspection did not mean that a claim would progress. It merely indicated how a claim would be settled based on the inspector's findings. And this could affect the no claims discount. She believed that Covea hadn't been fair, and she wanted the policy to show where it states the no claims discount would be affected at the inspection stage. So, she asked for a decision from an ombudsman.

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 won't uphold this complaint, for much the same reasons as our investigator. I understand that this might be a disappointment to Miss D, but I hope my findings go some way in explaining why I've reached this decision.

I've considered both parties comments, evidence, as well as the policy terms and conditions. Having done so, I think the main issue of this complaint, is whether Covea was fair to charge an excess payment prior to any inspection of Miss D's sofa taking place. So, I've concentrated my findings on this issue.

At the outset, I can see that Covea accepted that there were some poor service issues. It offered Miss D compensation of £50, for the trouble and upset this caused. I don't think Miss D is unhappy with the amount of compensation. In any event, I do think that the amount offered for the poor service, is in line with our services guidelines on compensation awards. So, I won't be asking Covea to increase this further.

Turning to whether it was fair for Covea to charge an excess, pre-inspection, I've considered the policy terms and conditions, as this is the document that the parties agreed to.

Under the section entitled '*general relating to claims*', it outlines a policyholder's obligations under the policy. It states:

'As soon as reasonably possible after the injury, loss or damage, provide us with details of the claim, including any detailed particulars, proofs or certificates, or original valuations, receipts or proofs of purchases pre-dating the loss, or other documents that we may reasonably require, and estimates for repair or replacement. We will not pay for this information unless agreed by us in writing.'

From this, I think it's clear that the onus is on the policyholder to provide as much as possible, the details about the claim that they wish to make. In other words, the policyholder would need to provide, for example, any estimates for repairs or replacements. It's clear that Covea will not be liable for paying for this. So, I think Miss D would have had to have got the inspection carried out at her expense and provide the outcome of that inspection to Covea for it to consider during the claim.

It seems, that this term of the policy, would mean that had Miss D done this, then no excess at the inspection stage, would have been attributable. Covea also explained and confirmed this to me, that excess is only payable, should a claim go ahead. But Miss D did not do this.

Covea said that for the inspection to take place, this would have levied a cost to it. That cost would be met by the charge of the excess payment, especially as it said that the inspection and repair would take place at the same visit. Given that the policy states that Covea will not pay for this information, unless it agreed to do so in writing, I can't see that Covea did anything wrong. Further, I can see that Covea did agree to an inspection only taking place, but Miss D chose to withdraw the claim.

To further explain, Covea said that the excess would become payable should a claim be valid. So, in essence, if it carried out a repair, the excess would become payable under the claim. It said that its contractor advised that the repair could be performed at the time of the inspection visit and therefore the excess was payable. But Miss D wanted an inspection only (which it agreed to) but later withdrew the claim, as she didn't want this to impact the no claims discount. This would mean that Covea would have to pay for a physical inspection (whether the claim went ahead). And given the policy terms, I can see why Covea didn't

agree to paying for the inspection, without the excess being paid. Which I think wasn't unreasonable.

I understand that Covea has indicated that the inspection is still available, but the excess payment would need to be paid by Miss D, for this inspection to take place.

Accordingly, I don't think Covea was unfair or unreasonable to seek the excess to be paid before the inspection is carried out. And I think Covea has correctly outlined the options available to Miss D and why the excess is warranted. So, I can't fairly ask Covea to do anything further to resolve this complaint. I understand that this is likely to be a disappointment to Miss D, but in the circumstances, I think this is a fair and reasonable outcome.

My final decision

For the reasons given, I won't uphold Miss D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 18 March 2024.

Ayisha Savage
Ombudsman