

The complaint

Mrs A and Mr H complain about an error made by Covea Insurance plc (“Covea”) when it was advised of a claim.

What happened

Mrs A and Mr H held a building insurance policy with Covea before moving to another insurer. In March 2023 they made a claim for subsidence under their new policy.

When their insurer contacted Covea for an ABI contribution, Covea incorrectly input the date of the claim as March 2022, which then flagged on the system as a previous claim for subsidence that had not been disclosed to the new insurer. This resulted in the new insurer cancelling Mrs A and Mr H’s policy for over two weeks until Covea was made aware of its error and the cancellation was reversed.

Mrs A and Mr H also complained that Covea’s complaint handler didn’t act professionally. They felt the case handler shouldn’t have asked why Mrs A and Mr H wanted to refer the complaint to this service or asked why their complaint wasn’t resolved.

Covea upheld Mrs A and Mr H’s complaint and offered them £500 compensation for the impact of its error and for the poor customer service.

Mrs A and Mr H didn’t agree that the offer fairly compensated them for what they’d been through, so they referred their complaint to this service. Our investigator considered what had happened and thought Covea’s offer was fair and reasonable, so she didn’t uphold the complaint.

Because Mrs A and Mr H didn’t agree with our investigator’s assessment, the complaint has now 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’ve decided not to uphold this complaint. I know this will come as a disappointment to Mrs A and Mr H, but I think the offer made by Covea is fair and reasonable. I’ll explain why.

Mrs A and Mr H say Covea’s error caused them a considerable amount of stress and they had to spend time making phone calls and chasing daily until the issue was resolved. I don’t doubt this and I can appreciate the amount of worry and distress they endured during the time this issue wasn’t resolved. They’ve said that over a matter of weeks, they were inconvenienced due to trying to sort out the problem, and were without insurance during that time which was particularly stressful.

Considering the impact this had on Mrs A and Mr H, I’m satisfied Covea’s offer is in the region of what I would have awarded had no offer been made. This is because there was a

considerable amount of stress caused, over a relatively short period of time. Had the problems taken longer to resolve, this may have had an even more detrimental impact on Mrs A and Mr H, (for example if they'd needed to make another claim and found they had no insurance during those two weeks). Thankfully, this didn't happen, and I've based my decision on the actual impact the mistake had.

The actual impact was, I think, considerable, as I've said. And in my view, this warrants compensation of £500. Mrs A and Mr H say that they've seen higher awards from this service for similar things. But those cases do have slightly different circumstances to this one. For example, the impact on some consumers may be more severe due to the time and effort it took to resolve a problem, or due to the more serious consequences of the error itself. In this case, although the error was indeed serious, I consider its impact to have been considerable stress and worry over some weeks.

I also have to have regard for Covea's actions once it was made aware it had made a mistake. I can see from the notes provided, that it rectified the error the following day, ensuring the information had been removed from CUE so that it would have no further impact on Mrs A and Mr H.

I consider this to have been a swift resolution to the problem, but of course it doesn't negate the impact the error had on Mrs A and Mr H before Covea became aware of the issue. Taking everything into account, and having thought carefully about Mrs A and Mr H's stress and inconvenience during that time, I believe £500 is fair and reasonable compensation for Covea's actions, including the poor service Mrs A and Mr H received from the case handler when they raised the complaint and the subsequent delays the error caused with their claim.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr H to accept or reject my decision before 27 May 2024.

Ifrah Malik
Ombudsman