

The complaint

Mr and Mrs G complain about the excess they were charged by Covea Insurance plc following a claim they made on a home insurance policy.

Reference to Covea includes its agents.

What happened

As leaseholders, Mr and Mrs C benefitted from a home insurance policy taken out by the freeholder of the property. When their property suffered an escape of water, they made a claim to Covea.

Covea accepted the claim and explained the excess was £2,000.

Mr and Mrs C complained about this. They said it wasn't fair they were charged an excess for something that wasn't their fault. And they complained that they had no control over what the excess amount was.

Covea said it was acting in line with the terms and conditions of the policy when charging the excess. It acknowledged Mr and Mrs C's frustration in not having a say in terms of what amount of excess to pay. But said this was something agreed with the freeholder, the policyholder, when they took out the policy.

Mr and Mrs C didn't think this was fair so brought their complaint here.

One of our Investigators explained he thought Covea was acting in line with the terms and conditions of the policy when charging the excess. He said any dispute about the choosing of that excess wasn't something Mr and Mrs C were eligible to complain about.

Mr and Mrs C disagreed and asked for an ombudsman's 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.

Having done so, I'm not upholding it. I'll explain why.

- Mr and Mrs C are eligible complainants even though they're not the policyholders. That's because they count as person for whose benefit the contract of insurance was taken out.
- I'm satisfied Covea was acting in line with the policy when charging a £2,000 excess. This amount is clearly shown in the endorsements on the policy schedule. It applies to an escape of water. So, I'm satisfied Covea was acting fairly by charging it on an escape of water claim.
- I understand Mr and Mrs C aren't happy with paying the excess because they say the

claim wasn't their fault. And I understand that. But that's not how the excess works. The excess is usually only returned when it can be claimed back off a party at fault. Many insurance claims don't involve a party at fault, and most still require an excess to be paid. Importantly here, the excess is clear and has been charged in line with the terms and conditions and the type of claim.

- Mr and Mrs C are unhappy with the setting of that excess, and say they weren't involved in that process when the policy was taken out. This isn't something I think Covea needed to do with Mr and Mrs C or any other beneficiary of the policy. Here, the policy was taken out by policyholder, in this case the freeholder. So any decision on the policy excess was made between the policyholder and Covea. If Mr and Mrs C think they should have been more involved in that process, then that's something they'd need to discuss with the freeholder.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 24 July 2024.

Joe Thornley
Ombudsman