

The complaint

Mr C complains that Covea Insurance plc (Covea) has unfairly cancelled his insurance policy, recorded that on industry databases and won't meet a claim he made for damaged property.

What happened

Mr C's dining table was damaged accidentally in mid-2023. Mr C approached Covea to make a claim. The table was reasonably valuable – about £9,000 – and Covea decided it would use a loss adjuster (a specialist who validates a claim) to help.

The loss adjuster visited Mr C and provided a summary value of all the contents in Mr C's home. They said the contents were worth just under £200,000 although they didn't provide any detail of the contents but instead only provided room totals. Covea said that Mr C had estimated the replacement value of his contents at £80,000. It said he'd not applied inflation to the value of his contents but instead lowered the value due to age. It said that meant he'd provided incorrect information when he bought the policy. It went on to say if it had known the true value of Mr C's possessions it wouldn't have insured him at all. So rather than considering the claim it instead cancelled Mr C's policy from when it previously renewed it in September 2022, and recorded this on industry databases. It kept the premium he'd paid.

Mr C complained but Covea didn't change its position, so he asked us to review the complaint.

Our investigator thought that Covea had been unfair. They thought that Mr C's valuation of his property was his opinion – not a "fact". By that they meant that some questions on the questionnaire Mr C completed when buying the policy only had one correct answer – but that the value of possessions was simply Mr C's opinion. Our investigator thought that meant Covea had unfairly applied remedies provided under the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA) that weren't actually available to the insurer. Our investigator recommended Covea reinstate Mr C's insurance, remove information about any cancellation from industry databases and consider and or meet Mr C's claim. They also suggested Covea pay compensation of £200.

Covea wanted to send another loss adjuster to re-check the value of the possessions in Mr C's home. Our investigator said this was something Covea could have done well before the complaint was referred to us and wasn't now appropriate.

Covea asked that an ombudsman review the complaint. I've done that, and as part of my review I asked Mr C to provide an estimate of the value of his possessions. He did that and we shared his list with Covea. I also asked Covea to comment on some unusually high figures for the contents of rooms – for example that the bathroom contained £15,000 of contents, rather than items covered under his building insurance.

Covea responded to say that accepted it had no evidence to support the loss adjuster's original figures. It said it would reinstate Mr C's policy, remove references to the cancellation on industry databases and consider the claim in line with any remaining terms and

conditions in the policy.

In light of this I can now decide this complaint.

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.

I'm upholding this complaint. I'm not going to go into much detail, as Covea has now said it will do the majority of things our investigator recommended, but I will comment on some points.

Covea was allowed to send a loss adjuster to Mr C's property to help validate the claim. Mr C later told us he thought it unacceptable that the loss adjuster looked in every room in his home. I don't know whether he mentioned that at the time, but I must say that it's not unusual for a loss adjuster to do that.

The list of contents in Mr C's home was simply a list of rooms with totals. There's no indication of what the contents of any given room might be. That's not an acceptable way to present information that an insurer is relying on to make fair decision. Once Mr C said the valuation was too high, I'd have expected Covea to seek more detail than it did, especially as it decided to not only refuse to consider the claim but also cancel Mr C's policy on the basis that he misrepresented the value of his belongings. That's something that could have a long-lasting negative effect on Mr C, and should only be done with the best evidence.

I must also say that the room totals were unusual for some parts of Mr C's home. I think Covea should, on even a cursory review of the information, have questioned those with the loss adjuster before cancelling Mr C's policy. I'm pleased to see it's recognised it didn't have enough information to reach a fair decision and remedied this in line with our investigators recommendations. That's the right thing to do.

With regard to the claim for the table, Covea says it will now consider Mr C's claim in line with the rest of the terms and conditions in Mr C's policy. Again that's what I'd expect it to do as it hasn't actually considered the claim so far. Mr C has asked if that means Covea can find another reason to refuse his claim. The answer to that is that insurers need only pay claims that are firstly covered by the policy, and secondly aren't excluded for some valid reason. There may also be limits on how much could be paid out on any one item for example, and possibly other conditions too. None of these points or any other relevant terms and conditions have to date been considered by Covea, and it's fair to allow it to do so now. If Mr C is unhappy about the outcome of the claim, then he can complain about that in due course, although I trust it won't come to that.

Our investigator made some comments about whether Covea could use the remedies outlined in CIDRA as they thought Mr C gave his opinion of the value of his possessions – he wasn't stating a fact. I don't think it will add anything to this decision to go into that in detail, as Covea has agreed the information it relied upon in the first place was flawed and incomplete.

Putting things right

To put things right Covea should now:

1. Reinstate the policy and give Mr C a letter confirming it was cancelled in error.
2. Remove any information on this from industry databases.

3. Consider the claim in line with any relevant terms and conditions in the policy. Mr C need pay no additional premium as Covea already holds the premium he paid for the relevant period.

In addition Covea should pay Mr C £200 as recommended by our investigator to compensate him for the distress and inconvenience it's caused.

My final decision

My decision is that I uphold this complaint and require Covea Insurance plc to carry out the actions outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 February 2025.

Susan Peters
Ombudsman