

The complaint

Mr B complains Covea Insurance Plc (Covea) incorrectly cancelled their motor insurance policy.

Any references to Covea include their agents. Mr B is represented by Mrs B. As Mrs B has been the main point of contact for these concerns I'll refer to her throughout the decision.

What happened

In early February 2024, Mrs B received a letter from Covea saying their motor insurance policy had lapsed. Mrs B called Covea who said the payment had been declined. Mrs B wasn't sure how or why that happened as the policy had renewed from the previous year. Mrs B says her credit card company told her no payment had been requested at the end of January 2024 when the policy ought to have renewed.

Unhappy with Covea's handling of this matter, Mrs B complained. Covea considered her concerns and said their standard process when a policy lapsed was to send both an email and a letter, but here only a letter had been sent. Covea said as these letters were automatically generated they didn't specify why a policy lapsed. However, recognising the distress experienced Covea said it would pay £75 compensation.

Mrs B referred her concerns to the Financial Ombudsman Service. She said to put things right she wanted to know what had gone wrong that had caused the policy to lapse. Mrs B's concerns were passed to one of our investigators who said in the circumstances, the compensation awarded by Covea was appropriate so she wouldn't ask Covea to do anything more.

Mrs B didn't agree saying there needed to be some form of safeguarding to ensure customers weren't driving without insurance, so this matter has been passed to me.

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 appreciate this matter has been very worrying for Mr and Mrs B and they feel quite strongly that Covea needs to carry out an investigation to determine what went wrong. I think it's important here to set out that my role isn't that of a regulator – that's the Financial Conduct Authority. My role here is to decide if Covea has done something wrong and, if they have, if they've taken sufficient steps to put things right.

Covea have acknowledged the payment wasn't requested and the policy lapsed. They've said it appears the system didn't recognise the policy needed to automatically renew and that seems the most likely reason behind the failed payment.

I appreciate Mrs B has been very concerned by the possibility of what might have happened if she'd had an accident whilst driving uninsured, especially with family members in the car with her. I can understand her concern.

However, I can't require Covea to compensate someone for something that didn't happen and, fortunately, there wasn't an accident to consider. I note that as soon as Mrs B became aware of the problem with the insurance it was remedied. However, I consider the payment of £75 was appropriate in the circumstances to reflect the distress and inconvenience caused by the policy wrongly lapsing.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 January 2025.

Emma Hawkins
Ombudsman