

The complaint

Mr S complains that Covea Insurance plc (“Covea”) hasn’t settled his claim following the theft of his vehicle.

What happened

Mr S took out a motor trade road risks policy with Covea on behalf of his business, which I’ll refer to as “A”. Another policyholder was also added to the policy later on. In January 2024 Mr S reported a vehicle stolen which had been taken as part exchange for a vehicle which A had on sale. Mr S registered a claim with Covea.

In order to validate the claim, Covea instructed specialists to take Mr S’s statement and advise on the next steps. Covea also requested further information from Mr S, some of which Mr S provided.

The stolen car was recovered soon afterwards, having been involved in a crime. But Mr S said Covea kept asking him for more information to validate the claim, but was not settling it as it should’ve. Mr S became increasingly unhappy with how Covea was dealing with things, so he made a complaint about the handling of his claim and the delay in settling it.

In its response to the complaint, Covea said it had to take steps to validate the claim and that it had the right to pursue any enquiries necessary. It said that some of the requested information remained outstanding, so it couldn’t progress the claim. For example, it had asked for the additional policyholder’s tax returns, details about the initial acquisition of the car including the contact details of the person who gave it in as part exchange, and a copy of the advert he’d placed when he sold his vehicle and obtained this one as part of the deal.

Mr S didn’t agree with Covea’s position. He said there were no tax returns, that he couldn’t give any further details about the buyer apart from a used car sales invoice with the buyer’s first initial and last name on it, and that he’d provided all the information he could – and that Covea could check the rest of the information with DVLA. Because he remained unhappy with Covea’s response, he referred his complaint to this service.

Our Investigator considered the complaint, but didn’t think it should be upheld. She said Covea was entitled to ask for evidence that Mr S had an insurable interest in the car. And that it hadn’t acted unfairly by requiring more evidence than Mr S had currently provided.

Mr S didn’t accept our Investigator’s opinion, so the complaint has now come 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.

As this is an informal service, I’m not going to respond here to every point or piece of

evidence Mr S and Covea have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both parties that I have considered everything submitted. And having done so, I'm not upholding this complaint. I'll explain why.

It's not my role to determine what happened in relation to Mr S's initial acquisition of the vehicle or its theft. My role is to consider whether Covea has acted fairly and reasonably in the circumstances, based on the evidence available to it.

First of all, I understand Mr S's frustration. He's had a positive experience in the past when a claim was settled more swiftly, and can't understand why Covea isn't settling this claim. Covea has accepted that it can proceed without Mr S's business partner's tax returns. I'm pleased to see Covea, reasonably, won't require sight of that additional evidence in order to progress the claim.

However, there are some enquiries which I can see are still outstanding, and without an acceptable response to those enquiries Covea has been unwilling to progress the claim. I've considered why these enquiries are more important to Covea and why it's not willing to overlook them. For example, due to the fact that the vehicle registration document hadn't been updated at the time of loss to show Mr S as the registered keeper of the vehicle, Covea needed to satisfy itself that Mr S had an insurable interest in the car, so he could make a valid claim for it. When asked for evidence of the initial part exchange that took place, in order to prove his ownership of the vehicle and his insurable interest in it, Mr S was only able to provide a handwritten invoice, with no date, only a first initial and last name, showing a price that doesn't match what he'd previously told Covea about the part exchange deal, and no other information. I can understand why, with such limited information, Covea made further enquiries.

It asked Mr S in an email for the contact details of the person who owned the vehicle, so that it could make further verification checks. It also asked for screenshots of the online account showing the purchase of the vehicle or any communications that took place between him and the seller/purchaser.

But Mr S hasn't provided screenshots of his online account or any communications over that platform regarding the sale of his car and the acquisition of the insured vehicle. He's said that on the online platform used, there is a portal where you upload pictures alongside commentary and they publish the advert once you've paid for it. But this doesn't explain why Mr S hasn't been able to provide screenshots of the online account he speaks of – in order to show some of the information Covea has asked for. I think this would help move things forward.

Covea has said that because of the lack of information provided by Mr S, further checks will be carried out with DVLA to ascertain whether the sale of the vehicle to Mr S did take place. I don't consider this unreasonable in the circumstances as Covea is merely trying to confirm that Mr S has an insurable interest in the car before it settles the claim, and it's what Mr S has suggested Covea does.

Overall, and for the reasons given above, I don't consider Covea has acted unfairly in not proceeding with the claim on the basis of the evidence available to it. If Mr S is able to demonstrate his ownership of the car or show proof of purchase, I'd expect Covea to progress the claim swiftly. Similarly, if Covea obtains the information it requires from other sources I'd expect it to continue with the claim accordingly. But at the moment, I can't safely conclude that Mr S has shown Covea that he has an insurable interest in the car. It follows therefore, that I won't be requiring Covea to do anything differently here.

My final decision

I'm sorry to disappoint Mr S, but my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision, on behalf of A, before 28 January 2025.

Ifrah Malik
Ombudsman