

The complaint

Mr B complains about Covea Insurance plc's handling of his car insurance claim.

What happened

Mr B had a car insurance policy with Covea, and in June 2023, he made a claim for theft of his car. In August 2023 the car was recovered and Covea deemed it a category B total loss.

In February 2024, Covea wrote to Mr B to say he needed to supply the second set of keys for the car in order for it to validate the claim. Mr B had said he was unable to find them.

In March 2024, an Investigator issued a view on a previous complaint and found there had been no delays by Covea in the handling of the claim, till October 2023.

Mr B raised a new complaint with Covea. He was unhappy Covea was refusing to decide the claim and with its communication. He said he'd told Covea he wanted his car back.

Covea issued a complaint response in May 2024. It said if Mr B provided the second key, it would progress the claim. It didn't agree it had communicated poorly.

The Investigator said Covea didn't communicate clearly enough with Mr B, following the category B total loss decision in August 2023. They said it was unfair for Covea to insist on the second key, after Mr B said he couldn't find it. They recommended Covea decide the claim and pay Mr B £200 compensation for the delay and poor communication.

Mr B agreed. Covea didn't agree. It said without the second key, it couldn't alleviate its concerns about the claim. It said it was unable to validate the claim without the missing key and the recommendation would interfere with its ability to effectively manage the claim.

Because the complaint couldn't be resolved, it's been passed to me to decide. To be clear, I won't be commenting on matters covered under the previous complaint, as outlined above.

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.

Covea says it has a right to validate the claim. And while I agree, the rules say it must handle claims fairly and promptly.

In its letter to Mr B of February 2024, Covea explained its concerns about the claim, including Mr B's statements about the spare key, and the possible use of a key in the theft. Covea asked Mr B to provide the second key so it could make a decision on the claim.

I accept it was reasonable for Covea to initially request the second key, but I think it was evident by November 2023, that Mr B would be unable to provide it. I say this because in its communications with the police in November 2023, Covea acknowledged Mr B said his key was missing.

Covea says it needs to effectively manage claims. But in refusing to make a decision, despite it being clear Mr B can't provide the key, I don't think Covea is managing the claim fairly or promptly. It's been over 17 months since the car was recovered. So, I think Covea has had more than a reasonable amount of time to validate the claim and carry out any investigation. And I don't think it's fair that despite this, Covea is yet to decide the claim.

So, I consider it fair and reasonable in the circumstances, to direct Covea to make a decision on the claim, based on the information it has.

Mr B has made it clear he's been unable to find and provide the second key. So, I think It's unfair for Covea to make provision of this key a condition in order to progress the claim. And I think this, along with the resulting delay since October 2023, would have caused Mr B distress and inconvenience.

Covea made its decision to declare the car a category B total loss in August 2023. At that time, its notes suggest it only informed Mr B the car was declared a total loss. Given that Mr B had already told Covea about the impact of being without his car, and Covea's concerns about the claim circumstances, I consider Covea ought reasonably to have informed Mr B the car had been declared a category B total loss and couldn't be returned to him. But I can't see that Covea did this until December 2023. This was despite the report from August 2023 making it clear Covea wouldn't be able to accept any request from Mr B to retain the salvage. So, I don't think Covea was clear enough in its communication. And I think this would have caused Mr B distress due to a loss of expectation.

Overall, I think Covea's actions caused Mr B distress, inconvenience, disappointment and loss of expectation. And I consider the £200 compensation the Investigator recommended to be fair in the circumstances. So, this is what I will direct Covea to pay.

My final decision

My final decision is that I uphold this complaint and require Covea Insurance plc to:

- Make a decision on Mr B's claim within 28 days of him accepting this final decision.
- Pay Mr B £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 February 2025.

Monjur Alam
Ombudsman