

## The complaint

Mr M and Ms M complain Covea Insurance Plc unfairly declined their home insurance claim for alternative accommodation costs.

Reference to Covea includes its agents. Mr M and Ms M are both policyholders and complainants, but as Mr M has been the main correspondent, and for ease of reading, I've referred to only him below.

## What happened

In May 2023 Mr M's property suffered a leak that caused damage to one floor of their property. He claimed against his Covea home insurance policy. Covea accepted the claim, covering the damage and reinstatement works. But it declined Mr M's request that it pay alternative accommodation (AA) costs for the family's nanny. It said the policy only covered AA costs for Mr M and his family when the property is deemed uninhabitable. It didn't consider the property to be uninhabitable or the nanny to be 'family'.

Unsatisfied with that decision Mr M complained. He said the AA cost was covered by the policy as a financial loss arising directly from the damage to his property. Failing that he felt Covea should cover part of the AA cost he considered was only incurred due to its delay in processing the claim and so reinstating his property. Covea said again, for the same reasons, the policy doesn't cover the nanny's AA costs. It didn't accept it was responsible for avoidable delays causing any extended need for the AA.

Mr M referred his complaint to the Financial Ombudsman Service. He asked that Covea be required to reimburse £8,745 he spent on the AA for the nanny. Our Investigator found Covea had declined the AA part of the claim in line with the policy terms. He wasn't persuaded it was responsible for any avoidable delay. So he didn't recommend it cover the AA cost or do anything differently. As Mr M didn't accept that outcome, the complaint was passed 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 M 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 that I have considered everything submitted. Having done so, I'm not going to require Covea to reimburse the AA costs.

I've first considered the terms of Mr M's policy. It covers AA if the building is made uninhabitable as a direct result of loss or damage. It pays the cost of necessary AA for '*you, your family, your domestic pets and horses*'.

Covea's position that the property wasn't uninhabitable was reasonable. Uninhabitable isn't defined by the policy, but I generally consider it to mean there's no kitchen, bathroom or

toilet facilities or its unsafe to be lived in. As far as I'm aware part of Mr M's property wasn't usable, but it didn't lack any of those facilities, nor was it unsafe to be lived in. So regardless of whether the nanny should be fairly considered as 'family', his claim doesn't meet the requirements of the AA cover.

Mr M feels the AA costs are a financial loss arising directly from damage to the buildings by the escape of water, so should be covered. The section of the of the policy he refers to states the 'buildings' are insured against loss or damage. The nanny's AA costs, even if Mr M's obliged to provide her with accommodation, aren't covered by this part of the policy. Direct or otherwise the AA cost isn't a loss or damage to the building itself, as required by the policy term. It's unfortunately for Mr M, in terms of his policy, an uninsured loss.

For the above reasons, I don't consider Covea's refusal to cover the AA costs, under the terms of the policy, to be unfair or unreasonable.

I've also considered Mr M's position that Covea, through causing avoidable delay, is responsible for extended need for AA and so the additional costs associated with that. I've considered the claim timeline he provided. He highlighted what he considers to be two significant delays. I don't consider it necessary to address in detail here the actions that took place during those periods, as Mr M and Covea are already aware.

Ideally the claim would have proceeded a little quicker. But unfortunately progress in claims of this nature is often subject to the competing priorities of, and demands on, the agents involved in resolving them. With that in mind I don't consider there to have been unacceptable or significant avoidable delay. The claim progressed to reinstatement at a reasonable pace. So I'm not going to require Covea to cover any of the AA costs outside of the terms of the policy.

### **My final decision**

For the reasons given above, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Ms M to accept or reject my decision before 4 April 2025.

Daniel Martin  
**Ombudsman**