

## **The complaint**

Mr Y has complained about his car insurer Covea Insurance plc. Mr Y is unhappy about a number of aspects of Covea's claim handling, as well as the valuation it applied to his car when it was damaged beyond repair in a "hit and run" incident.

## **What happened**

Mr Y's car was parked on 12 May 2024 when an unidentified driver drove into it. Mr Y made a claim to Covea. The claim did not progress as he would have liked and Mr Y complained to Covea about a number of things.

On 17 June 2024 and 16 August 2024, Covea issued two final response letters (FRLs), dealing with Mr Y's complaint points:

- Valuation and settlement for the car.
- Having to pay the excess.
- Failure to provide an appropriate replacement vehicle.
- Costs incurred due to having no replacement vehicle.
- Detriment suffered from the MID database being inaccessible.
- Failure to chase the third party for liability.
- Poor customer service and claims handling in general.
- Delays in the claim.

Covea said it was satisfied its settlement, paid to Mr Y on 21 June 2024, had been made fairly and reasonably. It acknowledged though that there had been some poor service by one of its call handlers when speaking to Mr Y, and that it hadn't always been as clear with Mr Y as it could have been. It offered £75 compensation for the upset caused. It wasn't otherwise persuaded it had done anything wrong.

Mr Y remained unhappy. He complained to the Financial Ombudsman Service. When he did so he advised of problems that had occurred since Covea had issued its FRLs. Whilst our Investigator considered the complaint and after she had issued her view, Mr Y copied us into further correspondence with Covea, setting out his further concerns.

Our Investigator explained to Mr Y that she could only consider matters as complained to Covea and dealt with in its FRLs. In that respect she felt Covea had set the value for the car fairly and reasonably. She noted Covea had accepted the claim hadn't been handled as well as it could have been at times – she felt that a total of £150 compensation was fairly and reasonably due in this respect. She wasn't otherwise minded to find Covea had done anything wrong.

Covea accepted our Investigator's view. Mr Y said he was unhappy with it. He said much of the detail he had given to Covea had not been referenced. He said Covea had written things carefully to hide the truth and distract us with false trails. Mr Y said the values he had obtained for similar cars were from local garages, whereas Covea had only found cars at the other end of the country from him. Looking at cars from elsewhere in the country gave a

misleadingly low value. Regarding tracing the driver of the other vehicle, he said Covea had under-utilised a video he had provided and failed to contact the police.

Our Investigator explained to Mr Y that her view had not changed. Mr Y asked for an Ombudsman's decision.

### **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 can see that Mr Y feels very strongly about how Covea has failed him. Like our Investigator I do think Covea could have explained things better to Mr Y, and he was clearly treated poorly during one call. But also like our Investigator, I don't find that Covea treated him poorly regarding the other issues he is concerned about. I've set out my findings below on the points of complaint as raised by Mr Y.

I'll confirm though first that ours is an informal service which means that I won't set out or reference every argument or every piece of evidence provided by the parties. My comments will focus on the findings key to the heart of the complaint. And, I've only considered what happened up until the date of Covea's second FRL, dated 16 August 2024.

### *Valuation and settlement*

Covea said it had consulted four guides and felt a fair value to apply to Mr Y's car was an average of the four figures returned – £15,827. It said it could evidence that averaged sum was fair and sent Mr Y details of cars for sale, similar to his, local to him, for around that sum. Mr Y sent Covea a car which he said was similar to his, for sale for around £2,000 more than Covea's value.

This Service has established an approach for considering complaints about motor valuations. In short, if an insurer wants to apply a value which is less than the highest value returned by the guides, it has to evidence that doing so is fair. In other words that there are similar cars available for that lower sum. I'm satisfied Covea has adequately shown that there are cars available for the sum it put forward as fair market value for Mr Y's car.

Covea set out examples of cars for sale around its market value figure in its August FRL. All three examples were for cars of the same age as Mr Y's, with the same key attributes such as make and model. One car had slightly more mileage. The other two were very similar to Mr Y's car and for sale around the value it had set. Mr Y's example was, as I've said, more expensive – but it had done around 10,000 miles less than his car had. With mileage being a key factor for value, I'm satisfied Covea's evidence reasonably supports the valuation it had applied. From that value Covea deducted the policy excess and settled with Mr Y for the remaining sum in June 2024.

### *Pay the excess*

The policy requires Mr Y, when Covea is settling a claim, to pay an excess. Even if the claim is non-fault, most insurers will require the excess to be paid up-front then, later, if it is successful in recovering its costs and the excess from the other driver, the excess will be refunded. Covea will forego the excess (or return it if already paid) if it's shown the driver of the other car was uninsured. That hadn't happened when the claim settlement was made. I'm satisfied that Covea did nothing wrong in expecting Mr Y to pay the excess – which I understand it deducted from the market value settlement.

### *Failure to provide an appropriate replacement vehicle and cost incurred as a result*

Mr Y's policy does not guarantee him a replacement vehicle in any/all events or for the whole period he is without a car. Rather, if his car is being repaired, he will be entitled to a courtesy car if the repairing garage has one for him.

When Mr Y's car went to Covea's garage, there was delay whilst it was being reviewed to see if it could be repaired. The garage provided Mr Y with a car in the meantime. It did not have to do that under the Covea policy terms. Under those terms it would only have had to provide a car once Mr Y's was being repaired. I realise the car provided was not like Mr Y's own. However, I think the garage, as an agent of Covea, acted fairly and reasonably in these circumstances by providing the car that it did.

There was also some confusion because Covea had put Mr Y in touch with a car hire company. This was done because the accident was not Mr Y's fault. But that company was not prepared to offer a car because the details of who was driving the other car were unclear. That hire company was not an agent of Covea's. Meaning Covea had no control over it and was not responsible for the decision it made. Covea has acknowledged it could have been clearer with Mr Y about that though.

I'm not persuaded that Covea did anything wrong regarding providing Mr Y a replacement car. I'm not persuaded it's reasonably liable for any costs he incurred.

### *MID database being inaccessible*

This is an insurance industry database used to help trace insurers for cars involved in incidents. I understand it wasn't working for a time. I haven't seen though that caused any particular harm or detriment to Mr Y. In any case, Covea had no control over the database, so if harm was caused, I couldn't reasonably blame it for that.

### *Failure to chase the third party for liability*

I realise Mr Y thinks Covea should have done more, and more quickly. However, it is not unusual for enquiries like this to occur over a period of time. I can see that, by the point Covea had issued its August FRL, it had viewed the video presented by Mr Y which showed the driver of the other car, and sent it to the insurer for the other car. It seems as though Covea may not have contacted the police by that point, but it is unclear what, if anything, a report from the police would have been able to show. From what I've seen I think Covea made relevant enquiries and I'm not persuaded it mishandled matters at that time.

### *Poor customer service and delays*

Covea accepts it didn't always explain things as well as it could have done, and that there was one bad call with Mr Y. I think Covea is right that the call it identified was badly handled and that it didn't explain things.

The parties are aware of the content of the call., So I won't detail that again here.

In terms of Covea's explanations during the claim, from what I can see it caused confusion for Mr Y. For example, as addressed above, it wasn't clear about the role of the hire company. I can also see that it made errors when it put its settlement offer to Mr Y – it said the offer was £17,477 based on a market value £15,827, less the £350 excess. Clearly the "7" was a typo, because £15,827, less £350 is £15,477. But other figures in the offer were also incorrectly detailed. I accept this caused Mr Y frustration and further disappointment, especially when Covea confirmed the figures were set out in error and its final offer remained £15,477 (£15,825 less £350).

There was a delay in the car getting fully assessed. As I've noted above, that was remedied by the garage acting beyond the policy requirement to provide a courtesy car. The claim settlement was paid to Mr Y on 21 June 2024. I'm satisfied that was paid within a reasonable period, having allowed for Mr Y to have contested the offer and Covea to have reviewed it.

Taking everything into account, I think Covea should pay Mr Y £150 compensation. This reflects that Covea caused Mr Y upset during the badly handled call and made a number of small errors, over a period of a month or so, which caused Mr Y distress and inconvenience. It's in line with our guidance and other awards made by this Service in similar circumstances.

### *Summary*

I do think Covea failed Mr Y in its communications. And that it should pay a total of £150 compensation to make up for that. But I'm not otherwise persuaded it failed him or that it would be fair and reasonable to make it do anything more.

### **My final decision**

I uphold this complaint. I require Covea Insurance plc to pay Mr Y £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 13 May 2025.

Fiona Robinson  
**Ombudsman**