

The complaint

C has complained about the settlement of a buildings insurance claim by Covea Insurance plc. C has also complained about delays during the course of the claim.

What happened

C made a claim for storm damage to the felt roof of its shopping centre under its buildings insurance policy. Agents with delegated authority dealt with the claim on behalf of Covea, but for simplicity in this decision I will just refer to Covea.

Covea ultimately settled the claim paying £54,722.34. This equated to 25% of the repair costs. It didn't accept that all the damage to the roof was as a result of the storm.

Covea accepted that there had been delays during the course of the claim and offered £1000 in compensation. Unhappy, C referred the complaint here.

Our investigator considered that the settlement was fair in the light of the evidence. They didn't recommend that Covea do anything more.

C appealed.

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.

Although I've summarised the background and arguments, no discourtesy is intended by this. I've read, and am grateful for, the careful and detailed submissions that C has made. Here though I've focused on what I find are the key issues. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

The relevant regulator's rules provide that insurers must handle claims promptly and fairly and mustn't unreasonably reject a claim. So I've considered, amongst other things, the relevant law, the policy terms and the available evidence, to decide whether I think Covea treated C fairly. Having done so I agree with the conclusion reached by the investigator. I'll explain why.

- I'm satisfied from the evidence that the roof was damaged by storm. I won't repeat the evidence here – it has been seen by the parties. As a specific insured event had occurred, Covea was obliged to assess the claim under the policy.
- I don't find it was unreasonable for Covea to conclude that the roof was nearing the end of its natural life and was showing signs of wear and tear. I say this based on the report and photographic evidence produced by Covea's appointed loss adjuster, although I accept this was taken over a year after the storm. It is not suggested that the roof could be repaired rather than replaced. Based on the tender offers C

presented, Covea's loss adjuster estimated the storm damage to equate to 25% of the overall repair costs. Its settlement offer in turn was based on this estimate, using the lowest tender.

- I fully accept that it is not easy to determine exactly what percentage of the damage was caused by storm. However I haven't seen any evidence which persuades me that the percentage estimate is wrong. I am aware that C wishes to submit a further report from its surveyor. Covea should consider any further evidence and if persuaded that its settlement offer is incorrect, it should adjust the figure. If C remains unhappy following Covea's assessment of the new evidence, it can refer the matter back to this Service.
- I accept that contrary to the comment made by Covea in its final response, 25% was *not* agreed by C and that Covea's proposal was therefore contrary to C's expectations. C has said that it made clear its understanding that the 25% proposal related to the roof and *not* to all costs such as scaffolding and preliminaries.
- Although the scaffolding and surveyor's cost have been settled at 25%, as with the damage itself, I haven't seen any evidence to suggest that it would be fair and reasonable for Covea to pay the scaffolding costs in full. That is not to say it wouldn't be fair for Covea to cover these costs in full and it is open to C to produce evidence to show that the storm damage repairs alone would require the same scaffolding and surveyor input.
- C has also said that it advised Covea that its independent surveyor was being appointed and a fee quotation was submitted but no response was received from Covea. This may have raised C's expectations and it is disappointing that no reply or acknowledgement was received. But I don't find that it binds Covea to accepting the fee quotation in full.
- C has also complained about the service and delays throughout the claim. I can understand why. The storm damage first occurred in February 2022 and the matter is not yet resolved. Covea has accepted that there have been delays that will have caused inconvenience. I agree compensation is due for the failure to deal with the matter proactively, for lack of timely communication and for the failure to make settlement promptly. Covea has offered £1000 and I find that is fair in all the circumstances.
- For these reasons I don't find that Covea treated C unfairly by settling the claim as it did. I am considering only the evidence Covea saw up until its final response of October 2023. This doesn't include the recent tender reports C has submitted here. But as indicated, it is open to C to provide further evidence to C for consideration, this could include comment on the photographic images C has been sent by this Service. I'm sorry my decision doesn't bring C positive news at this time.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 28 May 2025.

Lindsey Woloski
Ombudsman

