

The complaint

Mr O complains about how Covea Insurance plc (Covea) charged an additional premium on his policy for changing his vehicle and adding a named driver. But only offered a small refund when he told them he no longer required the named driver on the policy.

Any reference to Covea in this decision includes their agents.

This decision covers Mr O's complaint to this Service about Covea as the insurer of his policy. It doesn't cover – other than as context for what happened – the actions of the broker (B) as insurance intermediary through which he took out his policy, a separate business.

What happened

Mr O had a motor insurance policy with Covea, which ran from 1 June 2024 to 31 May 2025. In October 2024 he contacted B to make changes to the policy. He wanted to change the vehicle insured under the policy and add a named driver (his son) to the policy. Covea calculated the impact of the changes would mean a revised annual premium and an additional premium of £412.17). An amendment fee of £25 was charged for making the changes mid-term during the policy.

However, Mr O then decided he didn't need to add the named driver to the policy, so he contacted Covea again to ask that they be removed. Covea said they could do so, but it wouldn't lead to the premium reducing by the full amount of the additional premium he'd been charged. Unhappy at not being refunded the full additional premium, Mr O complained to Covea.

Covea didn't uphold the complaint. In their final response they said Mr O contacted them to make a mid-term amendment to his policy, to change the vehicle covered and to add a named driver to the policy. The changes meant an additional premium of £412.17 and a £25 fee for making the amendment. Covea said they weren't able to determine what proportion of the premium increase was for each change. So, when removing the named driver, the revised premium was calculated on the rates available at the time. Covea said they'd followed the correct process and hadn't made an error. Covea noted the named driver was still on the policy, so if Mr O still wanted them to be removed, he should contact Covea.

Mr O then complained to this Service. He said Covea charged an additional premium of over £400 to change his vehicle under his policy and add a named driver. But when he found he didn't need to add the named driver, he'd only been offered a £15 refund (and the fee charged for the amendment to the policy). And the named driver was still on the policy. Mr O wanted Covea to refund the full additional premium they charged.

Our investigator didn't uphold the complaint, concluding Covea didn't need to take any action. She said from the evidence provided by Covea, the majority of the increase in premium was due to the change in vehicle, so the refund for removing the additional named driver was less than Mr O expected. When Mr O requested the additional named driver was removed, Covea recalculated the premium based on the rates available at the time. The investigator thought this was reasonable. Covea had also said the named driver was still on cover and if Mr O still wanted the removal of the named driver he could do so.

Mr O disagreed with the investigator's view and requested that an ombudsman review the complaint. He didn't accept what the investigator had said about Covea being unable to determine the proportion of the premium increase due to the change of vehicle and that due to the addition of the named driver.

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.

My role here is to decide whether Covea have acted fairly towards Mr O.

The key issue in Mr O's complaint is whether Covea acted fairly and reasonably in not refunding the full additional premium they charged when he made changes to his policy. Mr O says he should receive a full refund, whereas Covea say the additional premium reflected both a change to the vehicle insured and the addition of the named driver. And they calculated the refund due for removing the named driver correctly, based on the rates available at the time.

Looking at the evidence and information available, including pricing information provided by Covea, it's clear the majority of the additional premium charged when Mr O made changes to his policy was for the change in the vehicle insured – not the addition of the named driver. Commercial confidentiality prevents me from disclosing the precise split, but I'm satisfied the information provided by Covea reflects their underwriting criteria.

Covea say that had the only change Mr O requested been the addition of the named driver, then they would have made a full refund of the additional premium (which would have been significantly less than the additional premium they charged for making changes to both the insured vehicle and the addition of the named driver). I think that would have been fair and reasonable – but it's not what actually happened when Mr O made the changes to his policy.

Covea also say that the named driver is still on the policy and that should Mr O wish to proceed with their removal, they would do so and calculate the appropriate refund of premium due. I think this is fair and reasonable.

Taking all these points into account, I've concluded Covea acted fairly and reasonably, so I won't be asking them to take any action.

My final decision

For the reasons set out above, my final decision is that I don't uphold Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 1 July 2025.

Paul King
Ombudsman