

## **The complaint**

Mr A has complained that Covea Insurance plc declined a claim he made on a mortgage payment protection insurance policy.

## **What happened**

In September 2024, Mr A made a sickness claim on the policy. He said he'd become unable to work due to ill health and his last day at work had been 31 August 2024.

Covea declined the claim on the basis that Mr A had not been a UK resident, which is a condition of the cover.

Our investigator thought that Covea had acted fairly and reasonably in declining the claim. Mr A disagrees and so the complaint has been passed to me for a 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've carefully considered the obligations placed on Covea by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Covea to handle claims promptly and fairly, and to not unreasonably decline a claim.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The test then is whether the claim falls under one of the agreed areas of cover within the policy.

Mr A owns a house in the UK that had been rented out until March 2022 and then left unoccupied. He considers that he has always been a UK resident, particularly as he had continued to pay tax in the UK on income from another rental property he owns. However, the available evidence is that he had been permanently living and working abroad for some time. Overall, I consider that Covea assessed his circumstances correctly to determine that he was not a UK resident.

Furthermore, even without Mr A's ineligibility for cover due to being a non-UK resident, there are other reasons why the claim would fail, which Covea set out in its complaint final response letter dated 13 December 2024.

A policyholder needs to be in work at the time of making a sickness claim. Mr A returned to the UK on 1 September 2024 and was certified unfit to work on the same day. But he told Covea that his last day of employment had been 31 August 2024. Mr A has since said that he was still employed by his foreign employer at the time of making the claim and had been due to return to work in October 2024. But that being the case, it confirms Covea's assessment of him not being a UK resident – although I appreciate that he had returned to the UK to care for his terminally ill mother and then had to remain.

Additionally, the policy stipulates that cover may end immediately if the policyholder and immediate family were no longer residing at the mortgaged property. It's clear from what Mr A has said about his tenants vacating the property in March 2022 that neither he nor his family had lived at the property for some time.

Mr A says the property was still habitable by him even though he was not in it due to his mother being taken ill whilst visiting his sister abroad. I appreciate the reasons why he left the property. But the crux of the matter is whether he was actually living there or not, and he was not.

As our investigator has said, as cover would normally come to an end at that point, Mr A may wish to discuss with Covea whether it will consider refunding premiums from the date that it was no longer on risk due to his ineligibility for cover, particularly if he still remains out of work since returning to the UK.

Mr A says that he has been paying the premiums since 2007 and that the situation he finds himself in is through no fault of his own. I appreciate that the very sad circumstances of his mother becoming very ill, and subsequently passing away, were completely outside of his control. However, as already mentioned, insurance doesn't cover every eventuality.

I have a great deal of sympathy for Mr A and am sorry for his loss. However, the matter at hand is whether Covea has done anything wrong, and I'm not persuaded that it has. Based on the available evidence, I consider it was fair and reasonable for it to decline the claim, in line with the policy terms and conditions. It follows that I do not uphold the complaint.

### **My final decision**

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 June 2025.

Carole Clark  
**Ombudsman**