

## **The complaint**

Miss K complains that Covea Insurance plc changed, and then withdrew, the offer it made for the salvage of her car under her motor insurance policy.

## **What happened**

Miss K made a claim after an accident and Covea determined that her car was a write off. She told Covea that she wanted to keep the car so Covea reduced its payment to her by the value of the salvage of the car which it would not be able to recover itself.

Some months later Miss K changed her mind and contacted Covea to ask for it to organise the scrapping of her car. During a telephone call Covea told her that this could be done and that she would receive £1042.33 as a salvage value. Covea later realised that this figure was a mistake and corrected it to £587.88. Shortly after this error was identified Covea withdrew the offer to salvage the car on the basis that it had been too long since the original claim had been settled.

Miss K was unhappy that an error had been made and complained. Covea confirmed that the original figure was an error and offered £50 compensation for the mistake. It explained that the error was identified quickly and corrected and that salvage should not have been offered at all without further investigation, due to the passage of time since the original claim had been settled.

Miss K was dissatisfied with this response and complained to this service. Our investigator felt that Covea had not treated Miss K unfairly and so didn't uphold her complaint. Miss K has asked that an ombudsman consider the matter.

## **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 agree with the investigator that Covea has not acted unfairly and so I don't uphold this complaint. I know that Miss K will be disappointed at this outcome but I will explain why I have come to this conclusion.

Shortly after making her claim, Miss K contacted Covea about payment of her claim. I've listened to the call recording and it's apparent that she had a private number plate on the vehicle and needed to organise its removal with the DVLA before the car could be recovered. When told that a payment could not be made until that had been resolved, due to the implications for salvage of the damaged car, it was Miss K's own decision to request payment immediately on the basis that she would retain the car. During that call she was told the amount that she would be paid under her claim if she retained the car and she agreed to that.

I've checked the figures from the settlement and can see that the settlement amount she was quoted was correct and included a deduction for salvage of £587.88. Miss K agreed to

this settlement. This is an important point, because it's clear that at this stage Miss K had no reasonable expectation of later being able to change her mind and receive £1042.33.

It was many months before Miss K contacted Covea by telephone to ask that the car now be taken and disposed of and for Covea to pay her the salvage value. During the call she was told that would be possible and quoted a payment of £1042.33 which appears to be the total deductions made from the original claim, including for personal car hire costs. This mistake was made and identified in two calls over a period of less than two weeks. It's clear to me that this was a genuine error and that Miss K was, at no time, entitled to the higher payment.

It is also my view that Covea was entitled to later decline the salvage request. Miss K initiated the decision to retain the car at the time of the claim and did not have an automatic entitlement to claim the salvage value at a later date. Once the claim was concluded by agreement Covea's responsibility under the policy ended. It should not have made the mistake that it did to offer the wrong salvage figure but it was entitled to withdraw that offer, and did so quickly.

Having decided that Miss K is not entitled to a salvage payment, the issue for me to consider, therefore, is any loss and inconvenience which Miss K suffered as a result of the error in offering her a payment and then correcting that error. I'm satisfied that the £50 offered by Covea is an appropriate amount and in line with compensation generally awarded by this service, and I have not seen evidence of loss which justifies me increasing that figure.

### **My final decision**

I do not uphold this complaint against Covea Insurance plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 11 September 2025.

John Withington  
**Ombudsman**