

## **The complaint**

Mrs T is complaining about the way Covea Insurance plc has handled a claim she made on her commercial property insurance policy.

## **What happened**

In June 2024 Mrs T's tenants notice an odour in the bathroom and contacted the letting agent to advise them of this. The letting agent arrange for a plumber to attend who believed the waste pipe from the toilet was leaking. As a result the bathroom sub floor and wall were saturated.

Covea appointed a loss adjuster who attended the property and confirmed that the bathroom suite, wall tiles, wallpaper, floor tiles and skirting would need to be removed and reinstated after a period of drying. The loss adjuster advised that a company – who I shall refer to as A – had been appointed to carry out the work and had provided an estimate of around £21,000+VAT to carry out the works.

In September 2024 Mrs T complained that one of her tenants had given notice to end the tenancy because of delays in the works starting. And she complained Covea hadn't agreed to providing alternative accommodation to the tenants.

Covea didn't think it had handled the claim unreasonably. It said it had some enquiries it needed to carry out at the start. It recognised there were some delays at the start of the claim, but it didn't think these could have been avoided as its loss adjuster needed to confirm who the tenants were as it had received conflicting information about their relationship to one another.

Mrs T still didn't think Covea had handled the claim fairly. She said it had taken six months to rectify the issue, but it should have been resolved within six weeks. And she said she'd lost her tenants as a result of this.

Our Investigator partially upheld this complaint. He didn't think Covea had caused any unreasonable delays. But he thought there was a lack of communication between Covea and its loss adjuster. And he said this resulted in Mrs T having to call and email for updates. So he thought Covea should pay Mrs T £250 in compensation. He also said he understood Covea had recently agreed to cover some of Mrs T's lost earnings under the terms of the policy. But he said Mrs T would need to raise any concerns about the lost earnings with Covea first before this Service could consider this.

Mrs T didn't agree with the Investigator's opinion. She maintained the repairs should have been completed within six weeks. And it's because this didn't happen that she lost her tenants. And she reiterated that she believed Covea should have arranged to provide the tenants with alternative accommodation.

As Mrs T didn't agree with the Investigator, the complaint's been passed to me to decide.

## 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 come to the same conclusion as the Investigator and I'll now explain why.

I've not seen anything to show Covea did unreasonably delay this claim. Insurers are entitled to carry out reasonable investigations into any claim before they agree to cover it or agree any settlements under the policy. And I think it's these investigations that meant the repairs didn't start straight away.

I've noted Covea's loss adjuster has set out that it emailed Mrs T's letting agency a number of times asking if Mrs T was happy to use A to carry out the works, but it appears, other than receiving a quote for repairing the floor, the loss adjuster didn't receive a response until September 2024 when it was confirmed that the repair works had been started.

I'm satisfied Covea was looking to progress the claim and I'm not persuaded that I've seen anything to show Covea or its agents unreasonably delayed the start of the repair works.

Mrs T has set out that Covea should have put her tenants into alternative accommodation given the repair works that were needed. It seems Covea's initial loss adjuster may have intimated that a small period of alternative accommodation would be provided. However, this was later clarified as the loss adjuster later set out that, as the property had two bathrooms, alternative accommodation wasn't required.

I understand that this was subsequently queried with the loss adjuster as the tenants said they couldn't share the bathroom. It seems there was then a confusion as to the relationship between the tenants as the loss adjuster said it was under the impression that it was a mother and daughter staying in the property. And if that was the case, it was fair for Covea to say the secondary bathroom could be shared.

Mrs T says this was an unnecessary and inappropriate query, but I don't agree. The terms of the insurance policy set out that Covea will cover the cost of alternative accommodation where an insured event "*hinders or prevents access to use or habitation of the*" property. Where a property has two bathrooms, it wouldn't generally be considered uninhabitable if one of the bathrooms is temporarily out of action, but the other one could be used. So I don't think it was unreasonable that Covea and the loss adjuster wanted to look into this before agreeing to any alternative accommodation.

Mrs T has said that the condition of the property during the repair works itself rendered it uninhabitable. She said it was a small apartment, but was filled with dust as a result of the bathrooms strip out. And she said that this had impacted the tenant's health. She also said the dehumidifying stage was very messy, noisy and disruptive. So she still thought Covea should have arranged to move her tenants temporarily.

I recognise living in the property during the repair process would have been inconvenient. But I can't say that the works rendered it uninhabitable. It follows, therefore, that I don't think Covea acted unreasonably in not providing alternative accommodation.

I can fully appreciate how upsetting it would have been for Mrs T to have lost her tenant. But I don't think I can reasonably hold Covea responsible for this – it seems to be more of an unfortunate consequence of the insured event itself and living through a claim. It follows, therefore, that I don't think Covea is required to compensate Mrs T for any lost earnings. I understand Covea has now agreed to cover a loss of earnings claim under the terms of the

policy. But I can't see that Mrs T has raised a complaint about any loss of rent settlement agreed regarding this previously. So she'll need to raise this with Covea first before this Service can consider this aspect of the complaint.

I do agree with the Investigator that Covea and its loss adjusters could have communicated more efficiently. And I think, had it done so, it could have kept Mrs T better informed about what was happening with the claim. And I think it's failure to do so has added to her anxiety and also meant she had to seek updates herself. The Investigator thought Covea should pay Mrs T £250 in compensation and I think that's fair.

### **My final decision**

For the reasons I've set out above, it's my final decision that I uphold this complaint and require Covea Insurance plc to pay Mrs T £250 in compensation. I don't require it to pay anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 28 October 2025.

Guy Mitchell

**Ombudsman**