

## **The complaint**

Mr W has complained that Covea Insurance plc caused a delay settling his claim under his car insurance policy.

## **What happened**

In February 2023 Mr W's said his car was damaged by a third party. In March 2023 Mr W made a claim to his insurer, Covea.

Mr W complained to Covea in 2023. It responded to that complaint on 3 May 2023.

In June 2024 Mr W brought that complaint to this service. We explained that we could not deal with that complaint as Mr W hadn't brought it to us in time.

In December 2024 C complained to Covea. He said it caused ongoing delay and was unhappy he hadn't received a settlement for his car. Mr W said his representative had raised a complaint with Covea in May 2024. Mr W wanted Covea to pay his claim and pay interest.

Covea paid an interim total loss settlement in December 2024. Mr W didn't accept the amount. Covea increased the settlement sum offer a number of times before paying a final balance settlement in March 2025.

On 6 March 2025 Covea responded to Mr W's complaint. It upheld Mr W's complaint about the total loss settlement. It agreed to increase this to £9,500 – from its first payment of £4,995.60 in December 2024 – minus a salvage fee.

Covea didn't agree it had caused any delay. It said the delay was due to validation checks it needed to carry out – and it said it had previously dealt with this complaint. Covea said it acted promptly once its validation checks were complete. Covea said any delay between December 2024 and March 2025 was due to Mr W's dispute about the total loss settlement.

Mr W asked us to look at his complaint. In the last of the Investigator's views, he recommended the complaint should be upheld. He found the limited information provided by Covea didn't show it wasn't responsible for a delay. And he found that Covea had paid an unfairly low total loss settlement in December 2024.

Based on the information available, the Investigator recommended Covea do the following:

- Pay interest at our preferred rate on the interim payment from 3 May 2023 (the date of Covea's previous final response to Mr W) to 19 December 2024 (the date it paid the interim payment).
- Pay interest at our preferred rate on the additional payment from 19 December 2024 to 11 March 2025 (the date Covea paid).
- Pay £700 compensation for the distress and inconvenience caused by its delay in settling the claim from May 2023 to March 2025.

The Investigator explained that he would reconsider if Covea could show its exchanges with Mr W evidenced it had not caused the delay.

Mr W accepted the Investigator's view. Covea provided a timeline. It says it could have done more to progress the claim, but that Mr W contributed to the delay as it was waiting for information from him.

So the case has 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.

As explained, this service cannot look at the complaint Covea responded to in May 2023.

Covea has provided limited information. From its claim notes and timeline, there are long gaps with no progression by Covea. It isn't clear what validation checks were needed, or when Covea received what it needed. It isn't clear that Covea regularly and clearly asked Mr W for its requirements to settle the claim.

It seems that when Mr W complained in December 2024, Covea paid a total loss settlement. This was for £4,995.60. From the main motor trade guides, which we rely on when deciding if an insurer has paid a fair market value, this sum was well below the guides. For a similar car to Mr W's, the guides ranged from £6,640 to £7,814.

Mr W disputed the valuation and between December 2024 and March 2025 Covea increased the settlement a number of times, resulting in a final payment bringing the total market value to £9,500 minus a deduction for salvage – as Mr W retained his car. As the final settlement is above the highest of the trade guides, I find this to be fair.

From the limited information available, I find Covea contributed to a significant delay in settling this claim. So I think it should pay compensation of £700 to reflect the delay, which Mr W accepts. And I think it should pay interest on the total loss settlement sums in line with the Investigator's recommendation which I've set out below. The dates reflect the period of time Mr W was unreasonably without the settlement sum as a result of avoidable delay by Covea.

### **My final decision**

My final decision is that I uphold this complaint. I require Covea Insurance Plc to do the following:

- Pay interest on the interim total loss settlement from 3 May 2023 (the date of Covea's previous final response to Mr W) to 19 December 2024.
- Pay interest on the difference in the total loss settlement from 19 December 2024 to 11 March 2025 (the date Covea paid).
- Interest is payable at a rate of 8% simple interest a year.
- Pay £700 compensation for the distress and inconvenience caused by its delay in settling the claim from May 2023 to March 2025.

Covea Insurance Plc must pay the compensation within 28 days of the date on which we tell it Mr W accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of

8% a year.

If Covea Insurance Plc considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr W how much it's taken off. It should also give Mr W a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 December 2025.

Geraldine Newbold  
**Ombudsman**