

The complaint

Mr M complains about the way Covea Insurance plc ('Covea') handled a claim he made on his home insurance policy.

What happened

The following is intended as a summary of key events only, as the background to this complaint is well known to both parties.

Mr M held a high-net-worth home insurance policy with Covea. He raised a claim with them in May 2022 after his property was burgled. He said a number of high-value items were stolen, including watches, jewellery, coins, cigars, and other collectables.

Mr M says he reported the claim to Covea immediately and expected it to be handled swiftly and quickly. Covea appointed loss adjusters to review the claim, but Mr M says they were obstructive and treated his claim with suspicion. He says the loss adjusters raised concerns with the police about whether the burglary might have been staged.

Mr M said he provided details of the stolen items and supporting evidence to Covea, but nothing meaningful on the claim happened for around six weeks. And he said no steps were taken to verify ownership, assess any values, or make an interim payment, and he felt the claim was deliberately stalled by Covea. Mr M says that despite the police supplying a report of their investigation in August 2022, Covea did not accept liability under the policy until early November 2022; around 11 weeks later. He said this was a significant and unjustified delay in the claims process.

After Covea accepted the claim under the policy, Mr M says further delays occurred and says there was extended confusion over valuations of items, inconsistent communication from Covea and their loss adjusters, as well as long periods of inactivity where the claim was not progressing. He says a company was then instructed by Covea to value certain items, but their report was not provided until around February 2023.

Mr M explained that the drawn-out claim process meant he had to appoint his own loss assessor to protect his interests. And he says this incurred significant fees, which would not have been necessary if the claim had been handed properly from the outset. He also said that despite the claim having been accepted by Covea, further requests made by his loss assessor for valuations of stolen items were ignored for months.

In February 2023, Mr M said the representative from Covea's loss adjuster left and a new loss adjuster was appointed. Mr M said the new loss adjuster caused initial confusion and further delays to the claim; including a dispute around whether a 125% uplift clause applied to certain parts of the claim. Mr M said Covea initially refused to apply this clause, which he believes led to further unnecessary delays in settling the claim, prior to Covea agreeing the uplift was applicable.

Mr M says that an external valuer was appointed in April 2023. But he said that their report was contradictory and prolonged settling the claim further. He said there was very little

progress in the claim from April 2023 to August 2023. By September 2023, Mr M explained an acceptable settlement was agreed on the contents part of the claim. However, disputes around certain collectables continued, and he says it was not until November 2023 that an agreement was reached on most of the claim. A final settlement was made and agreed in December 2023.

Overall, Mr M said the claim was handled in a way that was obstructive, confusing, and excessively slow. He believed the process should have been concluded in full by August 2022, rather than taking more than 18 months and Covea issuing eight separate settlement payments.

Mr M raised a complaint to Covea about the handling and progress of his claim. The first was in relation to the loss adjuster's conduct and Covea responded to that complaint in May 2023. They said the claim changed hands in and the new loss adjuster felt further validation was needed so more questions were asked. They said the initial delays in the claim were part of their standard validation processes to ensure there was cover under the policy. But they also agreed there had been a lack of communication and urgency and they'd had to chase their loss adjuster for regular updates which had been unanswered. They concluded that the claim was progressing, and settlement payments had been issued and they awarded £150 compensation in respect of any delays experienced.

The second complaint was raised by Mr M in July 2024 and Covea provided a response in August 2024. But they said they weren't upholding it as the claim was settled not long after the previous complaint was answered and they wouldn't look at any issues addressed within the previous complaint. Mr M remained unhappy with how Covea had handled his claim and brought it to this Service. He said the previous complaint was only in relation to one issue, the inappropriate behaviour of Covea's loss adjuster. And he said it was not intended to address the numerous other issues Mr M had experienced as part of the overall claim process.

I issued a provisional decision on this complaint, and I said the following:

"I should explain from the start that I won't be repeating the entirety of the complaint history here in my decision or commenting on every point raised. Instead, I've focussed on what I consider to be the key points that I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

I also want to set out what I will be looking at as part of my decision. I'm aware Mr M has brought a separate complaint against his insurance broker which this Service is also considering separately. And that means I won't be making any findings about the broker's actions in this decision. However, as both complaints arise out of the same set of background events, there will be instances where I refer to background information that overlaps the complaints.

Both Mr M and his loss assessor's submissions are detailed and lengthy. While they have been helpful in me understanding this complaint and I thank Mr M for them, both parties are aware of these and I do not intend to repeat their detail in full here, given what I have said above. As such, I will be focusing on what I consider to be the core components of the complaint, which are claim delays, and whether Covea should be directed to reimburse Mr M's loss assessor fees. I will approach each topic in turn below, for ease of reference.

Claim handling and delays

The crux of this part of the complaint is that Mr M says there were avoidable delays throughout the handling of the claim. He says that at several points Covea had enough information to progress matters but failed to do so, which left him waiting for longer than was reasonable for settlement. Mr has submitted that, in his opinion, the claim could have been fully assessed by early August 2022 and it would be reasonable to expect settlement by 15 August 2022. Covea's position is that because of the claims complexity, the high value of the items involved, and the need for detailed validations, the claim was stretched out over a longer. Given the period of the claim and the complexity involved, I consider the most appropriate approach is for me to set out each main period of the claim in order to consider whether I am satisfied delays occurred.

- *May 2022 to August 2022*

Mr M says that after he reported the claim in May 2022, Covea did not move the claim forward as quickly as they should have. He maintains that it should have been straightforward to request the police report, but this wasn't done. Instead, Mr M says he was left to obtain the report himself. And he says this demonstrates Covea wasn't managing the claim effectively.

I've considered Covea's claim notes, and I can see they had concerns early on about the circumstances of the loss. These included the recent inception of the policy, the number and high value of items set to be stolen, and questions around underinsurance. At this point, Covea were looking at Mr M's previous claims history and they sought clarification about security at the property. And they requested a copy of the police report in July 2022.

I appreciate Covea had concerns early on about the circumstances of the loss, And I think they have justified it was reasonable for them to be cautious at the outset given the size of the loss. But I do think they could have requested the report slightly earlier here, given it would have been important to their early checks over whether the claim was genuine or not. In the end, the police report was provided by Mr M, and I think that contributed to his perception that nothing was happening in the first few months of the claim.

- *August 2022 to November 2022*

Covea were provided with the police report in August 2022, and it was at that point Mr M says that cover should have accepted liability for the claim, given the police report outlines the burglary was more likely than not genuine, I moved onto valuations and settlement. Instead, he says nothing meaningful happened from us three months.

Covea's claim notes show that after the police report was obtained their adjuster continued to review the claim. There were ongoing requests for room-by-room inventories and purchase invoices, and I can see that in late October 2022 Mr M's assessor provided further information from Mr M and his wife, which they said was to correct some earlier errors in the claim submission. I can also see that by late October 2022 discussions were underway about instructing specialist valuations, with authority given at the end of that month, and liability was formally accepted in early November 2022.

I sincerely appreciate Mr M felt he was treated with unfounded suspicion over the validity of the claim, and I've considered his submissions about Covea's loss adjuster in detail. I don't doubt concerns being raised would have been distressing for Mr M, but I think it was fair and reasonable for Covea to carry out validation checks of the claim; given they had legitimate concerns initially around the circumstances of the claim, underinsurance, ownership of the items claimed for, and how best to approach valuations. And I also don't think the police report would have been the determining factor on whether Covea accepted the claim, as I can see Covea was also exploring other aspects when validating the claim; including items not being stored in a safe, and Mr M's occupation being listed differently to that on his statement of fact.

But, while I find that Covea's actions in validating the claim were fair, given the very high value of the submitted items, I do think they could have accepted the claim in principle upon receipt of the police report and then continued to resolve any outstanding questions after, as well as providing more regular updates prior to November 2022, when the claim was formally accepted. This meant Mr M was left in unnecessary uncertainty for longer than I think would be reasonable.

- November 2022 to December 2022

Mr M has said that even after Covea accepted the claim in November 2022, he was left waiting until December 2022 for an interim payment of £50,000. He says this was too long given how much time had passed since the claim was reported, and an interim payment should have been released immediately once the claim was accepted.

Covea's claim notes show they instructed specialist valuations in November 2022, and these were being prepared during the period leading up to the first interim payment being authorised. On balance, I think it was fair for Covea to rely on their valuation evidence to help them quantify the claim. And given the high value of the claim overall, I don't think it was an unreasonable amount of time for an interim payment to be released.

- January 2023 to March 2023

Mr M has explained that by December 2022 valuations had been completed on a number of items, including his coins. He has admitted that there was no good reason for payment to be withheld until March 2023. And he said the delay was caused by poor oversight when the original last adjuster was replaced with a new adjuster. Covea's claim notes confirmed that their original adjuster left in early 2023 and the claim file was reallocated to a new adjuster in late February 2023.

The notes show that during this transition period there were delays in progressing the claim, with the new adjuster needing time to familiarise himself with the file and he also wanted to ask for further information and carried out validation checks he thought were necessary. The coins were then settled in March 2023. I think this shows a delay in progression of the claim, and while some handover time is inevitable, I think there were some unfair delays during this period while Covea managed the change in adjuster.

- March 2023 – August 2023

From considering Covea's claim notes as well as Mr M's submissions, this was likely the most contentious period of the claim process. I can see by early 2023 the main

valuations were completed, but Mr M says Covea created unnecessary disputes which prolonged the settlement period. Highlighted disagreements over whether coins should have been treated as bullion or collectables, and Covea's initial refusal to apply a 125% uplift clause to replacement items. Mr M said both points were eventually conceded in his favour, which he says demonstrates the delays were caused by mismanagement and poor interpretation of the policy wording.

Covea's claim notes show they instructed a specialist on collectables in March 2023, and their loss adjuster Then spent several months exchanging correspondence with Mr M's last assessor about how to categorise coins and how the uplift clause applied. In May 2023 Covea did accept the uplift clause applied and they made a further interim payment.

I accept Mr M's point that these disputes did prolong the claim, but I can also see he submitted that the specific clause wording created a logical inconsistency. And he was also disputing this wording with his broker in respect of his complaint with them. So, I don't consider that this was a simple, avoidable delay. Additionally, I don't think that all of the delays are solely the responsibility of Covea in this instance, given the role Mr M's loss assessor played in this part of the claim.

I've considered the correspondence between Mr M's loss assessor and Covea's loss adjuster. While I recognise that he would have been acting to protect Mr M's best interests, and he did eventually achieve outcomes that increased the overall settlement, I think the approach taken was highly adversarial. His emails were often combative and strayed into personal attacks, which I think went beyond a robust challenge. I'm persuaded this style of engagement made it harder for both sides to resolve points of difference quickly, and in my view, I think the way the assessor conducted discussions contributed to the delays experienced.

So overall, I think this period was characterised by shared responsibility. I find that Covea should have managed the claim better in some instances, but I can't fairly say the entirety of the delays were due to Covea's actions. Wall Mr M's loss assessor achieved some positive outcomes eventually; I think the manner in which he pursued them contributed to the time it took to reach a resolution.

- *September 2023 – December 2023*

By September 2023 Covea had obtained the valuations they required, and Mr M says they should have been in a position to make final payments to him. Instead, he says settlement was dragged out in further interim payments over several more months, and the balance of the general contents claim was only paid in October 2023, and collectables part of the claim not concluded until December 2023.

Covea's claim note show there were still discussions around how to classify some of the remaining items, and internal backlogs and staff absences contributed to delays in authorising payments. There were also continuing debates around how certain collectables, such as lighters, should be valued. And I can see the final balance of the claim was paid to conclude in December 2023.

Given most of the substantive issues had been resolved by this stage, I think Mr M was left waiting for settlement slightly longer than I would consider to be normal. However, I also need to fairly balance this against the complexities in finalising unusual items, as well as the administrative delays caused by Internal backlogs and staff absences. By this stage, Mr M had been through a lengthy claim process, and I think these staggered payments would have added to his overall frustration and

inconvenience. It follows that I'm satisfied there were some delays during this period that could have been avoided.

What was the impact

I've considered Mr M submissions very carefully and thought about his argument that interest should be added to each payment because of the delays he says he experienced during the claim. I want to acknowledge that I do not underestimate how frustrating the process must have felt for him, particularly given the value and importance of what was stolen. But, having considered everything that's happened I don't think adding interest is a fair and reasonable remedy to this complaint.

Even accounting for avoidable delays that I've identified, I'm ultimately not persuaded the claim could realistically have been settled as early as Mr M suggests. This was a high value and complex claim which required detailed consideration of ownership, under insurance, specialist valuations, and policy interpretation. Those inquiries would have always needed to have taken place in any event, and they would have taken time to complete even if Covea had managed the claim more effectively, at the periods I have outlined above.

While I found there were points where Covea could have acted more promptly, I don't think those delays justify treating the interim payments as if they were wrongly withheld altogether. And I don't think it would be fair to require Covea to pay statutory interest on top of the claim settlement. Instead, I'm persuaded the correct remedy is an award of compensation To reflect the additional distress and inconvenience Mr M experienced because of the way the claim was handled.

Burglary claims are by their very nature disruptive, and I'm conscious off the fact that there will always be delays and inconvenienced in any normal claims process, especially one of this size and complexity. But I'm satisfied the stop start progress and the long time it took to reach a final settlement did make this a more inconvenient experience for Mr M. This means I intend to award a sum of compensation, which I will outline below.

- **Loss assessor fees**

Mr M says he appointed a loss assessor because of the way Covea handled his claim from the outset. He says Covea's loss adjuster treated him with suspicion, suggested to the police that the burglary might not have been genuine, and failed to make progress during the first few months after notification. He says this left him with no choice but to seek professional help, and so he thinks Covea should reimburse the loss assessors fees of around £66,000.

But I'm also mindful that Mr M has made slightly different arguments around why these fees were incurred. He's explained that Covea and his broker both share responsibility for the loss assessor's fees. But each complaint appears to use different motivations as justification for reimbursement. Mr M has explained in his broker complaint the fees were "exclusively incurred as a direct consequence of (the broker's) negligence". He also says "the costs associated to the assessor are directly attributable to the underinsurance by (the broker) and their negligence in this regard.

I want to make it clear I don't criticise Mr M for presenting this issue in slightly different ways, given the two complaints overlap. But taken together, I'm not persuaded the evidence demonstrates that Mr M appointing a loss assessor was

caused by a failing on Covea's part – or that it was necessary in order to conclude the claim.

I understand why Mr M felt he needed support. This was a complex and high value claim, and Covea's early enquiries, which I think were valid, may have felt challenging to him. But I'm also mindful that Mr M appointed his chosen loss assessor very early on in the claim, at a point in which I don't think Covea were acting unreasonably. Insurers are entitled to investigate claims of this size and complexity carefully, and I don't think they acted unfairly in raising questions at the outset.

I acknowledge Mr M was entitled to appoint a loss assessor of his choosing if he wanted someone to manage the claim on his behalf. But I don't think it would be fair or reasonable to direct Covea to cover the cost of Mr M's decision. I also think the fact Covea's initial concerns were later resolved doesn't then mean it was wrong for them to investigate them at all. It follows that, having considered this aspect of the complaint very carefully, I'm not persuaded that Covea should have to reimburse these fees, as ultimately, appointing a loss assessor was Mr M's own choice, so it wouldn't be fair for me to pass that cost back to Covea.

Putting things right

A compensation award isn't intended to fine or punish a business, it's to recognise the impact a business' actions have had on their customer in a particular complaint. This Service's approach to compensation awards requires me to think about what amount would be fair by taking into account how I consider Mr M was affected.

I haven't detailed everything here, but I've weighed up Mr M's testimony, the available evidence, and the duration of the incident when deciding what I think is a fair and reasonable sum. Having considered everything that's happened, I'm satisfied a compensation award of £750 is a fair and reasonable sum in all the circumstances to reflect what I consider to be the impact of Covea's claims handling on Mr M.

I appreciate this may not be the level of compensation Mr M had hoped for, and it may not ultimately change matters for him. But I consider it to be in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint."

I concluded that I was intending to uphold the complaint in part and to direct Covea to pay £750 compensation for distress and inconvenience caused by their claim handling and delays. I invited both parties to provide a response to my provisional decision.

Covea didn't provide a response to my provisional findings. Mr M, via his representative, provided a detailed response. In summary, he said Covea were solely responsible for avoidable delays throughout the claim; particularly by failing to obtain the police report promptly, delaying valuations, and mismanaging the process of applying the uplift clause in the policy. Mr M said he didn't agree with my view that his assessor had contributed to the delays and said correspondence remained constructive overall.

Ultimately, Mr M felt my proposed award of £750 didn't adequately reflect the prolonged failings by Covea over an 18-month period. He maintained interest should be added to each payment as a fair remedy. Finally, Mr M said, on balance, it was accepted Covea were not responsible for the loss adjuster's fees.

As both parties have now had the opportunity to respond to my provisional findings, I will set out my final decision below.

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.

Having done so, I have reached the same outcome I did in my provisional findings. I'll explain why.

Mr M's submissions, both before and after I reached an initial opinion on the complaint, are detailed and lengthy. While they have been very helpful in me understanding this complaint and I thank Mr M for them, both parties are aware of these and I do not intend to repeat their detail here again, especially as I've included my provisional findings above. For ease of reference, I will address my findings and Mr M's responses below in turn.

Claim handling and delays

I understand Mr M's frustrations that he feels he was sold a product that was marketed in a way that didn't meet his expectations. But I don't consider it automatically follows that a substantial loss would be expected in the event of a claim, and this means the claim could have been concluded in full by August 2022. This was a high-value and complex claim, in part due to the number of unique items stolen which meant specialist valuations were required. But I do maintain Covea's handling feel short, and they did not manage the claim as effectively as they could have.

I accept Covea could have requested the police report sooner and their failure to do so left Mr M with the perception that nothing was happening. But, as I set out in my provisional findings, I don't think the police report would have been the sole determining factor on whether Covea accepted the claim. I can see Covea were also exploring other aspects when validating the claim; including items not being stored in a safe, and Mr M's occupation being listed differently to that on his statement of fact. There was also a delay in late October 2022 when Mr M's assessor provided further information from Mr M and his wife, which they said was to correct some earlier errors in the claim submission.

I also acknowledge Mr M's representative's submissions on the general tone of communications and that he says progression was otherwise productive. I want to assure him that no discourtesy was intended as a result of my findings, and I accept that this wasn't the sole or primary cause of the delays I identified. Ultimately, I recognise that the main responsibility for managing the claim rested with Covea.

The crux of the delays aspect of the complaint is that Mr M maintains that interest should be added to each payment because Covea's delays deprived him of funds he would have otherwise had access to. I've thought very carefully about this point when considering the complaint, but I'm not persuaded to depart from my earlier findings on this matter.

Interest is generally awarded where money has been wrongly withheld; for example, where an insurer has unreasonably declined to cover a claim but later accepted it. However importantly here, Covea accepted the claim and made staged interim payments while valuations were being completed. While I accept there were delays, which I have previously outlined, I don't think those payments could be fairly treated as being "withheld" in the way that would justify attaching interest to them. It follows that my view remains the correct remedy in this particular complaint is an award of compensation for distress and inconvenience.

Loss Assessor fees

Mr M sought reimbursement of around £66,000 in loss assessor fees. His representative now accepts that responsibility for Mr M appointing loss assessors does not rest with Covea, and he feels that it lies instead with his brokers.

As I set out previously, Mr M has brought a separate complaint against his insurance broker which this Service is also considering. And that means I won't be making any findings about the broker's actions in this decision. In respect of Covea, I find that they weren't responsible for Mr M appointing a loss assessor, and I don't require them to reimburse those costs.

What was the impact

I accept Mr M Was left in an uncertain and frustrated position for much longer than I think was reasonable. I recognise he had to chase for updates, deal with prolonged disputes, and he saw the claim handled in a stop-start fashion. For a burglary claim of this scale, I think that would have been distressing for him. I don't think these issues justify interest or reimbursement of his assessor's fees, but I do think they warrant Covea paying compensation. This is to reflect the additional distress and inconvenience caused by how the claim was managed. I initially proposed a sum of £750, and I appreciate Mr M has set out why he doesn't feel this adequately reflected the prolonged delays caused by Covea.

Putting things right

I need to balance several important factors when thinking about how much compensation to award. First, this was a high value and complex claim which required detailed validation and specialist valuations. So, I think some of the delays were unavoidable, and not all were solely attributable to Covea. At the same time, I accept there were periods of inactivity and mismanagement which caused unnecessary stress and inconvenience for Mr M. It's also important to note that this Service doesn't punish or fine a business; a compensation award is intended to reflect the impact a business's actions had on their customer.

Having thought about this complaint very carefully, as well as considering Mr M's additional submissions, I remain satisfied my award of £750 recognises the additional frustration and disappointment caused by Covea's handling of this claim, while still remaining proportionate and consistent with the way this Service approaches compensation awards.

I appreciate this is not the level of compensation Mr M had hoped for, and it may not ultimately change matters for him, given the larger concerns over the claim process itself. But I consider it to be in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint.

My final decision

For the reasons I've set out above, my final decision is that I uphold this complaint in part. I direct Covea Insurance plc to:

- Pay a total of £750 total compensation for distress and inconvenience caused by their claim handling and delays.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 October 2025.

Stephen Howard
Ombudsman

