

The complaint

Mrs H has complained about the service she received from Covea Insurance plc (“Covea”), following a car accident.

What happened

In March 2025, Mrs H was involved in a car accident and contacted her insurer, Covea, to make a claim.

Covea told Mrs H that her vehicle would likely be declared a total loss. It said a salvage agent would assess it properly and provide a valuation. The agent arrived at her home, but Mrs H says she was advised by Covea that she’d be notified in advance about this, which she says didn’t happen.

Mrs H chose not to retain the vehicle and decided to proceed with a total loss settlement instead. Covea then contacted her to advise that as she hadn’t declared an accident from 2020 when her husband had been driving the vehicle, her claim would be reduced and settled proportionately – as if the earlier accident had been declared and the correct premium had been paid.

Mrs H provided her finance company’s details and settlement figures to Covea for it to settle the finance on the vehicle before paying her the remainder. But she says there was a delay in it doing so. The claim was settled at the end of April 2025.

Mrs H complained to Covea that it had caused unreasonable delays, and that there’d been a general lack of communication and she’d been given incorrect information at times. She said she’d been left without a replacement vehicle despite being clear about the impact of this on her two disabled children. Covea offered Mrs H £100 for the inconvenience it had caused. Mrs H didn’t consider this to reflect the full scale of the distress and disruption caused. So she referred her complaint to the Financial Ombudsman Service.

Our Investigator considered the complaint and thought Covea should increase the amount of compensation to £275. But Covea didn’t agree, so the complaint has now been referred to me for an Ombudsman’s 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.

As this is an informal service, I’m not going to respond here to every point raised or comment on every piece of evidence Mrs H and Covea have provided. Instead, I’ve focused on those I consider to be key or central to the issues in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m upholding this complaint. I’ll explain why.

The insurance industry regulator, the Financial Conduct Authority (FCA), has set out rules

and guidance about how insurers should handle claims. These are contained in the 'Insurance: Conduct of Business Sourcebook' (ICOBS). ICOBS 8.1 says an insurer must handle claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a claim. It should also settle claims promptly once settlement terms are agreed. I've kept this in mind while considering this complaint together with what I consider to be fair and reasonable in all the circumstances.

Our Investigator has set out clearly, in his view dated 24 September 2025, the reasons he considers Covea didn't act unfairly when it took certain actions in line with The Consumer Insurance (Disclosure and Representations) Act 2012 ("CIDRA"). This law sets out that a consumer must take reasonable care not to make a misrepresentation when taking out an insurance policy.

I agree with our Investigator's findings in relation to the misrepresentation made. Mrs H didn't disclose an accident from December 2020 when she took out her policy. And I can see that the statement of fact dated 3 March 2025 confirms that no claims, accidents, thefts or losses regardless of blame had been declared.

Covea has shown us that it would've increased the premium had the accident been declared. This means the misrepresentation Mrs H made was a qualifying misrepresentation. There's no such thing under CIDRA as an innocent misrepresentation. Under CIDRA, a misrepresentation is either careless, or deliberate and reckless. And I think it was fair for Covea to treat this as a careless misrepresentation, as there's no suggestion Mrs H intended to mislead Covea. And categorising it as a careless misrepresentation resulted in the most favourable outcome for Mrs H – that is, Covea still provided cover, but charged an increased premium for it.

It was therefore entitled to proportionately reduce the claim settlement amount payable, which it did. So I don't consider it did so unreasonably.

I've considered the overall service Mrs H received, and I can understand why she felt the £100 compensation offer was inadequate. As a carer for her two disabled children, the impact on Mrs H of being without a vehicle was much greater than it would've been had she not been in such a vulnerable position. However, her policy didn't provide a courtesy car in the event that the car was a total loss, and only provided one if her car was being repaired. So I don't hold Covea responsible for the impact of Mrs H not receiving a replacement vehicle.

Mrs H was also concerned that a photographer arrived at her home without prior notice. I think it would've been courteous to let Mrs H know when he was due to attend in advance. I can understand why this also caused Mrs H some distress. So I've kept this in mind when considering a suitable level of compensation.

I've also considered the issues around the delay in making the settlement payment. Mrs H said the settlement payment hadn't been made to her, nor had the outstanding finance been paid to her finance company within a reasonable amount of time. I've listened to the call in which this was discussed. And Mrs H did say she would be making a further payment to her finance provider, so wanted to obtain a more up to date outstanding balance figure. Covea has acknowledged that there was a failed call back and two mistakes in the email that was sent to Mrs H, so I won't reiterate those issues. But it doesn't accept that there were delays warranting compensation of over £100. I don't agree. I can see Mrs H provided, in emails dated 12 March and 25 March, details of the repayment figure, as well as the invoice for recovery fees. She says she had to continually chase Covea as its communication was poor.

Whilst Mrs H had a call with Covea on 21 March explaining she wanted to obtain an up to date repayment figure, she did email Covea with this on 25 March, so I think it could've taken steps to repay this on that date, but didn't do so until 29 April. Covea has said this repayment figure was the same as the one Mrs H sent on 12 March, but as she had made a further payment to her finance company, this figure wasn't up to date.

But I can't see that Covea responded to Mrs H, picking up on the similarity in figures from her emails, and checking whether she wanted them to pay the incorrect figure to the finance company, allowing the finance company to potentially refund her any overpayment. Covea could have and should have done this, if it was confused as to why Mrs H had provided the same figure as before. I can't see any good reason why it didn't and why it simply waited over a month for Mrs H to send in the correct figure.

This oversight led to increased anxiety and distress for Mrs H and her family, particularly in relation to transport for her two disabled children, which could've been arranged sooner had the settlement been paid as early as possible. So I'm satisfied that due to the heightened impact on the family because of their vulnerabilities, compensation of £275 is appropriate in the circumstances.

Putting things right

Covea Insurance plc should pay Mrs H £275 compensation for distress and inconvenience. From this, it may deduct the £100 compensation offered previously, if this has been paid.

My final decision

My final decision is that I uphold this complaint and I direct Covea Insurance plc to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 13 April 2026.

Ifrah Malik
Ombudsman