

The complaint

Mrs S complains Covea Insurance plc (“Covea”) significantly delayed settling three claims on her motor insurance policy which caused her severe distress and inconvenience. She’s explained the delay impacted the price of her insurance policy at subsequent renewals. Mrs S doesn’t think Covea has done enough to make up for this.

All references to Covea include its agents.

What happened

Mrs S took out a motor insurance policy in September 2021. Around July 2022, she was involved in two separate road traffic accidents with two different third parties. So she made two claims on her policy. I’ll refer to these claims as “K” and “M”. While Covea was investigating these claims, Mrs S was involved in another incident around April 2023 with a third party, I’ll call that claim “X”.

Covea instructed and authorised repairs to Mrs S’s vehicle following the first two incidents around August 2022. And following this, both parties say Covea caused a great deal of confusion between the initial two claims. This includes regularly getting the two claims mixed up; giving Mrs S conflicting information about whether the third party in K was insured which it confirmed in December 2023 it was; sending Mrs S forms with the incorrect names to complete and sign; and referring the wrong claim to solicitors to pursue settlement. Covea says some of the confusion was caused by the solicitors the claims were referred to.

Both parties have given us detailed timelines of what’s happened throughout the claim. This shows the solicitors first identified around January 2023, that the two claims had been mixed up. And around February 2023, Mrs S’s broker provided information clarifying which claim was which. During this time, Covea provided differing information to Mrs S and her broker about the claims. Mrs S says it wasn’t until December 2023 that Covea understood which claim was against which third party and that it could pursue a claim against K. She says in the meantime, it delayed the claims by around 16 months.

Around August 2023, Covea says it agreed with the third party involved in X it would split liability equally as it thought there was little prospect of success. Covea accepts at this point, it didn’t tell Mrs S about the agreement. And around November 2023, Mrs S complained as she hadn’t agreed to settle the claim in this way. At this point, Covea says it withdrew the offer to split liability as it seems Mrs S had a photo which supported her position.

Some further delays were caused to X due to back and forth between Mrs S and Covea over the excess being recovered and paid. And Covea’s said it sent Mrs S the wrong documents to sign. But ultimately, all of the claims were settled as non-fault in Mrs S’s favour. X was settled in May 2024, K was settled in October 2024 and M was settled in April 2025.

Unhappy with the delays caused, Mrs S raised a number of complaints with Covea. Covea accepted it had caused some delay and confusion but it thought some issues were caused by the solicitors. In total, Covea agreed to pay Mrs S £900 as compensation to make up for what it had done wrong. The solicitors also agreed to pay Mrs S £350 to compensate her for the service it had provided.

Mrs S was unhappy with this outcome. She said the delays caused the renewal price of her policies to increase by around 280% and she thought Covea should compensate her for that. There was a lot of back and forth over this point. Covea thought it could recover the increased premium price from the third party in one of the claims but later it said it wouldn't be possible. It also said it would re-rate Mrs S's policy but she didn't think it was being clear on how much the difference between what she had paid and what she should've paid was. So she asked our Service to look into things.

Our Investigator didn't uphold Mrs S's complaint as she thought Covea had already done enough to put things right and she was satisfied it would now re-calculate her policy premiums. Mrs S didn't agree, she thought Covea should pay more compensation and she highlighted it had now directed her to her broker to re-calculate her policy premiums instead of doing so itself. As the complaint wasn't resolved, it was passed to me to decide. I issued a provisional decision on this complaint in October 2025 which I've included a copy of below:

"Delays

Mrs S is unhappy Covea caused delays to her three claims. And having looked over the timelines provided by both parties, I currently agree Covea caused significant delay and confusion across all three claims. I understand Covea says some of the issues were caused by the solicitor the claims were referred to and it doesn't think it's responsible for that. But the solicitors were appointed to recover Covea's outlay and I currently consider the solicitors were acting on its behalf in carrying out the contract of insurance. So I've taken all of the delays into account when considering this complaint.

Mrs S says Covea delayed her first two claims by around 16 months and from what I've seen so far, I'm persuaded by what she's said here. It seems to me, it wasn't until December 2023 that Covea got on top of understanding which claim was which and that there was a recoverable claim against K. That's despite asking for – and getting – clarification from Mrs S and her broker much earlier in the year. And in the third claim, X, I consider if Covea had let Mrs S know it was splitting liability when it made the decision to do so, it would've known months earlier it should pursue a non-fault claim.

In saying this, whilst I'm satisfied Covea caused significant delay to Mrs S's claims, I am currently in agreement with our Investigator that it's done enough to make up for the distress and inconvenience this would've caused to Mrs S. In deciding this, I've also taken into account the compensation she's received directly from the solicitors which means she's already been offered £1,250 for the delays and service she received. I understand Mrs S wants Covea to pay her more in compensation. But I think much of this is due to the impact the delay has had on the price of her policy which I've considered separately.

Increased premiums

Mrs S is unhappy because while her claims remained open, she says they impacted the cost of her policy every year and I don't think that's fair. From what I can see, Mrs S's claims were settled in May and October 2024 and April 2025. Considering how long it took to settle K and M after Covea got on top of things, had the delays in those two claims not happened, I currently think it's likely they could've been settled by December 2023 and June 2024.

For the third claim, it took around five months for the claim to be settled from the point after which Covea agreed to pursue a non-fault claim. So had it done so earlier, I think it's likely it would've settled the claim before Mrs S's policy renewal in September 2023.

Overall, I think X being open at the time Mrs S took out her policy in 2023 would've unfairly increased her premium for that year. And K and M being open during the 2024/2025 renewal would've unfairly impacted the price of that renewal. So I think it's fair for Covea to put Mrs S in the position she would've been in if this hadn't happened.

I understand Mrs S has complained about the cost of her policies since September 2022. But insurers calculate the price of policies based on the risk presented. This can change year on year so it's not uncommon for prices to increase and it's likely Mrs S claiming on her policy three times would've impacted this. I don't think the cost of Mrs S's policy going up every year is all down to how Covea has handled things. But I do think it should ensure she's not financially disadvantaged by it keeping her claims open for longer than it needed to.

Covea has provided differing information about how much the cost of Mrs S's policy was impacted by to Mrs S and our Service. And I note it only seems to have looked at one policy year and not at the impact of the open claims on the cost of her policy in 2023 and 2024 which I think is relevant here. I also can't see what information it's relied on when previously calculating the impact of the claims on the policy premiums as it's not given us its underwriting criteria to support its calculations.

The impacted policies in this complaint have already ended so I don't think Covea's in a position to re-rate Mrs S's policy but I think it needs to ensure Mrs S is put in the position she would've been in if her claims hadn't been delayed. To do this, at the moment I think Covea's underwriting team should accurately work out what it would've charged Mrs S for the policy she took out in 2023 if X had already been closed as non-fault at that stage and what it would've charged for the policy renewal in 2024 if K and M had been closed as non-fault by the time of the renewal. And it should refund the difference between those amounts and the amount Mrs S actually paid for her policies in 2023 and 2024 to her.

I note in Covea's latest correspondence to Mrs S, it told her to contact her broker to recalculate her policy premiums. But as Covea is the underwriter of the policy, I'm satisfied it set the price of the policy and she was paying it the premiums. So I think it should recalculate Mrs S's policy premiums and refund her the difference."

I asked both parties to make any further comments in response to my provisional decision before I reach a final decision. Covea didn't respond by the deadline set. Mrs S provided a number of documents and further information about what's happened in the history of this complaint which I've read through carefully.

Mrs S outlined the impact what's happened has had on her; all of the inconsistent information she's been given; and examples of how Covea has mismanaged things. She outlined new information she's been made aware of – for example that her claim wasn't passed to solicitors until July 2024 on K – and she set out in detail why she feels Covea's errors are very serious and not just down to confusion.

Mrs S said she thinks Covea should pay:

- £3,000 compensation for the delay to and poor handling of her claim. She explained the stress and anxiety she experienced led her to require professional support.
- £800 to cover the cost of therapy she's undergone. She's also provided a letter from her therapist who said she's been a regular patient between April 2024 and July 2024.
- The cost of her increased premiums with interest.

- Interest to cover the unnecessary delays caused by Covea.

Mrs S doesn't think it is necessary for Covea to recalculate all of the insurance premiums as it has already agreed figures for some of the policy years. But she'd like it to provide more information about the impact of the claims on her premiums and about the interest payable.

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 looked at what Mrs S has sent me very carefully. I've summarised her comments and I've done so using my own words. I'm not going to respond to every single point made, no discourtesy is intended by this. Instead, I've focussed on what I think are the key issues and comments here. Our rules allow me to do this and it reflects the informal nature of our service. If there's something I've not mentioned, it isn't because I haven't thought about it, I've given careful consideration to all of the submissions made before arriving at my decision. Having done so, I'm maintaining my decision to uphold this complaint in part.

Mrs S has provided a lot of information about how the complaint has impacted her personally – in particular, the impact it's had on her emotional wellbeing. And I appreciate the mismanagement of her claim and the errors she could see Covea was making would've caused her a great deal of distress and anxiety. I can see she was left feeling she wasn't being listened to and she was repeatedly given incorrect and confusing information.

Having considered all of this carefully, I'm satisfied the total compensation she's been offered by Covea of £900 is fair and is in line with what I'd expect it to pay where it's caused substantial distress and upset over a sustained period. And in reaching that decision, I've taken into account the separate award she's received from the solicitors for its errors.

I know Mrs S thinks £3,000 would be a fairer amount but I'm not persuaded it is in this case. I don't consider the errors Covea has made are irreversible. And claims of this nature will take some time to resolve and will cause some levels of distress, particularly as Mrs S had three claims running at the same time. So considering the impact of Covea's errors only, I don't think the amount Mrs S has asked for would be fair to put things right.

Mrs S has given us a letter explaining she's had therapy during 2024. I understand the toll Covea's handling of the claims has had on her. But considering the time she was undergoing therapy for compared to the length of the claim – and the information provided by her therapist, I'm not satisfied from the evidence I've seen that Covea's actions were the direct and only cause of this expense. So I don't think it's fair for Covea to cover the cost of this.

Mrs S has commented that she doesn't think Covea needs to recalculate her premiums for every policy year. Instead, she'd like it to set out what additional cost each claim has added to her premiums. And whilst I can understand why she might want that information, I don't think it highlights if she's been unfairly charged more for her policy due to the unreasonable delays Covea caused. From what I've seen, I'm not satisfied Covea has provided clear information to show the premium refunds it's provided previously were accurate.

I don't think the price of Mrs S's policy going up year on year is all down to how Covea has handled things. Instead I think it's likely it would've gone up anyway due to her claiming on the policy. So I think the information Covea needs to focus on when putting things right is how much the premiums increased due to the claims being open for longer than they should've been, to ensure Mrs S isn't financially disadvantaged by this.

If, after Covea recalculates Mrs S's premiums, it finds she's been charged more than she should've, I think it should add interest to the amount it needs to refund her. This is to make up for the time Mrs S was without her money because Covea had overcharged her. Mrs S has asked me to direct Covea to pay interest for the unnecessary delays it caused, presumably as a form of compensation. But I'm only able to direct Covea to pay interest on Mrs S's financial losses. And that's to put her as far as possible in the position she would've been in if she hadn't experienced the financial loss caused. I can't direct Covea to pay interest as a form of compensation.

Putting things right

To put things right in this case, I direct Covea to:

- Refund the differences between what Mrs S paid for her policy in 2023 and 2024 and what she would've paid if X had already been closed as non-fault by the time she took out the policy in 2023 and K and M had been closed as non-fault by the 2024 renewal.
- Add 8% interest to the above amount from the dates Mrs S made the payments to the date of settlement. If Covea considers that it's required by HM Revenue & Customs to take off income tax from the interest, it should tell Mrs S how much it's taken off and give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs.
- Covea has offered Mrs S a total of £900 compensation. It should pay this to her if it hasn't done so already.

My final decision

For the reasons I've given, I uphold Mrs S's complaint and direct Covea Insurance plc to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 4 December 2025.

Nadya Neve
Ombudsman