

The complaint

Miss H complains that Covea Insurance plc cancelled her home insurance policy, declined her claim and handled the claim unfairly.

Reference to Covea includes its agents and representatives.

What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Miss H took out home insurance, through B, an independent intermediary, in February 2020. It was underwritten by Covea and renewed annually.
- At the 2024 renewal, the policy limit for contents valuables was £25,000, with a single item limit of £2,000 for unspecified items. Any item worth more than that had to be specified in order to be covered. At that time, Miss H specified a number of items.
- After the renewal, Miss H bought gold bars worth a total of around £35,000 over a number of months.
- In January 2025, Miss H got in touch with Covea to make a claim for theft. Covea said Miss H should have told it or B when she bought the gold. And, if she had done, Covea would have told her it couldn't continue to provide cover. As a result, Covea cancelled the policy and declined the claim.
- Miss H complained about the actions Covea took, as well as the way it handled the claim. Covea maintained its position and said it handled the claim fairly.
- Our investigator thought Covea acted fairly when it cancelled the policy and declined the claim. She thought Covea caused some delays and communicated poorly at times. As a result, she asked Covea to pay £200 compensation.
- An agreement wasn't reached, so the complaint has been passed to me.

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.

- When considering what's fair and reasonable in the circumstances I've taken into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Whilst I've read and taken into account everything said by both parties, I'll only comment on the points I think are relevant when reaching a fair outcome to this dispute. That's a reflection of the informal nature of this Service.

- The scope of this complaint is limited. I can only consider any activities Covea is responsible for, such as handling and declining the claim and cancelling the policy.
- Covea isn't responsible for B or the activities it carried out. So I can't consider them in this decision. Miss H is entitled to make a separate complaint if she would like to.
- There are a number of points for me to consider, so I'll take each in turn.

Claim outcome

- The policy was sold and renewed by B, an independent intermediary. As a result, Covea isn't responsible for B, or B's sales process and communication.
- Like any insurer, Covea has underwriting criteria which sets out the maximum amounts of cover it's prepared to offer. It's entitled to set these amounts as it sees fit in order to manage the risk it's prepared to be exposed to.
- The sum insured and limits for Miss H's policy were set to these maximum amounts at the 2024 renewal. There seems to be no dispute that the values of Miss H's contents were within the relevant limits at that time. And I'm satisfied that when she bought the gold bars, the values then went beyond the limits.
- Covea's policy is clear that Miss H should let it or B know if her circumstances change during the policy year, including if the replacement values of her contents exceed the limits set out in the policy schedule.
- So I'm satisfied Miss H was required to let Covea or B know about certain changes. And that buying the gold bars amounted to such a change. It's not in dispute that she didn't do this.
- Had Miss H done so, I'm satisfied Covea would have checked the impact on the limits and found they would be exceeded by the gold bars. So the value of Miss H's contents would have been beyond Covea's maximum amounts. And, as a result, it would have cancelled the policy at that time. That means the policy wouldn't have been in place at the time of the claim and Covea therefore declined the claim. Under the policy, it's entitled to take these actions.
- Miss H says the requirement to let Covea or B know about changes – and the consequences of not doing so – weren't made sufficiently clear to her. That's a matter for B, so I won't consider that point as part of this decision.
- Miss H also says Covea could have turned to the 'average' policy term to pay a proportionate settlement. That's true, but it was also entitled to rely on the policy terms it did and cancel the policy. I haven't seen anything to make me think doing so treated Miss H unfairly or unreasonably in the circumstances of this case.
- Taking everything into account, I'm satisfied Covea acted in line with the policy terms, and fairly and reasonably overall, when it cancelled the policy and declined the claim.

Claim handling

- Covea is required to handle claims promptly and fairly, and act fairly and reasonably at all times. Where it appoints agents and representatives, they must meet these same requirements.
- Whilst I've considered how the claim was handled in detail, I don't see a need to comment on this point at length. I think the investigator has described matters in sufficient detail and explained clearly why she thought Covea should pay £200 compensation.
- Neither party has challenged this. I'm satisfied this is a fair and reasonable amount of compensation in the circumstances, for the reasons set out by the investigator.

My final decision

I uphold this complaint. I require Covea Insurance plc to:

- Pay £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 2 February 2026.

James Neville
Ombudsman