

The complaint

Ms G complains that Covea Insurance plc unfairly handled her motor insurance policy following her request to cancel the policy.

What happened

The circumstances of this case are well known to both parties, but in summary Ms G was involved in an incident in December 2024 and so made a claim under her motor insurance policy with the assistance of an accident management company. As Ms G's vehicle was deemed to be unroadworthy, she asked Covea to cancel the policy. Covea arranged the cancellation of the policy but declined to provide a pro-rata premium refund as the claim remained open and liability of the incident was in dispute. Unhappy with this, Ms G complained and said under the relevant industry rules, Covea should provide a refund within 30 days of cancellation. Ms G also explained that she was unhappy with the way Covea handled her request for assistance when she called it in December 2024 to progress her claim.

Covea didn't uphold the complaint. In its response it said it was satisfied it had acted fairly, and in line with the terms and conditions of the policy. It also explained it had no record of the call Ms G was referring to and said Ms G may have instead spoken with her broker or the accident management company handling her claim.

Unhappy with the response, Ms G referred her complaint to this Service. Our Investigator didn't uphold the complaint as they were satisfied Covea hadn't acted unfairly. They explained that they could see Ms G had also raised concerns about the accident management company and broker, but that they wouldn't be commenting on these points as the accident management company wasn't an organisation covered by our scheme, and the complaint points against the broker were being handled under a separate case reference.

Ms G disagreed and asked for an Ombudsman to make a final decision. In summary, Ms G said that the case with Covea cannot be disassociated with the other parties involved in her claim and maintained that Covea had acted outside of the relevant industry rules by not providing her a refund within 30 days of her request to cancel her policy.

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.

I recognise I have summarised the circumstances of this case in less detail than presented. But I would like to assure both parties that I have carefully considered all submissions made when determining this complaint. I may not comment on each point raised or each piece of evidence provided. Instead, my decision will comment on the issues I consider to be key. This isn't intended as a discourtesy but reflects the informal nature of this Service – and the rules this Service are expected to adhere to enable me to do this.

While I recognise Ms G will be disappointed, I do not uphold this complaint. I'll explain why.

The scope of my decision

I recognise Ms G's wish for all the entities involved in her claim to be considered under one complaint. However, I won't be doing this. Each entity involved in her claim (the broker, the accident management company, and Covea) are separate entities with their own individual authorised activities, responsibilities and permissions.

So, my decision will only comment on the actions Covea is responsible for – which from the information provided to me is the request to cancel the policy and provide a refund, her “no claims bonus”, and the call Ms G has raised.

Did Covea handle Ms G's claim fairly?

The starting point with any insurance claim is the policy terms, which set out the basis of cover between an insurer and its policyholder. So, I've carefully reviewed Ms G's policy terms to determine if Covea was under any obligation to provide a premium refund at the point where she decided to cancel her motor policy. These state that in the event a claim is made by or against a policyholder during the period of insurance, no refund would be paid.

Covea has said that when Ms G requested a refund for the remaining time on cover, it'd be unable to do so as she had an open claim. I don't find this to be unreasonable or inconsistent with the terms and conditions of her policy. And this isn't uncommon with wider industry practice.

Ms G has said that Covea has an obligation under the Insurance: Conduct of Business Sourcebook (ICOBS) to provide a refund within 30 days of her request to cancel, less any applicable fees. However, ICOBS should be considered as a whole as it also says that Ms G is obliged to pay for the service actually provided by the firm in accordance with the contract she has.

The premium she paid represents the risk of Ms G making a successful claim within the 12-month period that her policy was intended for. As she made a claim within the period of cover, I don't find it unreasonable for Covea to decline any refund until such time as the claim has been settled as this is the purpose of the contract of insurance she agreed to purchase.

In addition, I understand the liability of the incident has been disputed by the third party insurer – and so Covea may be required to settle the third party losses in response to the claim. If, however, Ms G is not found to be liable for the incident and Covea can recover all the costs she paid, she can speak to Covea about a possible premium refund at that point.

I understand why Ms G feels a refund should have been given quickly. But for the reasons I have explained above, I don't find that Covea's decision to decline a refund of Ms G's premiums to be unfair or unreasonable.

Ms G has said that she has lost her “no claims bonus” due to Covea's actions. However, I haven't seen anything to demonstrate this. In any case, the policy terms confirm how Covea handles a policyholder's “no claims bonus” following a claim, and goes on to explain that this will be impacted when Covea has made payment for any loss, damage or injury caused to a third party or where any costs paid for damage to a policyholder's vehicle can't be, or haven't yet been, recovered. So, while the claim is ongoing, Ms G's bonus may be impacted but may be reverted to its previous state if Covea is able to recover its outlay in full.

Ms G has also explained that she is unhappy with the service she received from Covea in December 2024 when she called to further her claim. However, Covea had provided copies of its system records to demonstrate it didn't receive a call from Ms G on the date in question. Covea's system records show that it was first notified of the claim from the third party insurer rather than Ms G or the other parties representing her. And this was after the date of the call Ms G is unhappy with. This isn't to say that Ms G's account of this incident isn't accurate. But as there is no evidence to support the call having taken place with Covea, I can't find that it acted unfairly or unreasonably with respect to this.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 5 February 2026.

Oliver Collins
Ombudsman