

The complaint

Mr N and Ms S complain about Covea Insurance plc's (Covea's) handling of a claim made under their landlord property insurance policy.

What happened

Mr N and Ms S own a property which they rent out to tenants. They have a landlord property insurance policy, underwritten by Covea. As they let the property out unfurnished, the policy only covers their fixtures and fittings (it doesn't cover buildings or contents).

In September 2024 there was a leak at the property. As Mr N was abroad with work, a family member acting on his behalf made a claim to Covea for the damage caused by the leak. The claim was for the replacement of damaged carpets.

Covea raised concerns about the level of cover Mr N and Ms S held, as they thought they might be underinsured. Following ongoing communication between the parties, Mr N and Ms S complained to Covea about the service they'd received, and that the claim hadn't been settled. Covea responded to the complaint. They said they didn't agree they (or their agents) had caused delays and also said the information they needed hadn't been provided due to Mr N being away.

As Mr N and Ms S remained unhappy, they approached the Financial Ombudsman Service.

One of our investigators looked into things but didn't uphold the complaint. He said that he didn't think Covea had caused significant avoidable delays and that their questioning was reasonable. He also didn't think Covea had treated Mr N unfairly or disadvantaged him due to his occupation and being overseas as they had allowed him time to respond.

Mr N and Ms S didn't agree and asked for a final decision from an ombudsman.

I was minded to reach a different outcome to our investigator, so I issued a provisional decision to give both parties an opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

"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'm minded to reach a different outcome to our investigator. So, I'm issuing a provisional decision to give both parties the opportunity to comment on my initial findings before I reach my final decision.

Firstly, I'll set out here that my consideration is limited to the same period that our

investigator has considered, that is what happened up to the date when Covea issued their final response – 24 February 2025. If Mr N and Ms S are unhappy with anything that happened after this, that would need to be raised and considered as a separate complaint.

I'll also explain that I don't intend on commenting on every point or argument raised, or each individual event in the timeline of the period I'm considering, or every separate communication that occurred between the various parties. Instead, I'll focus on what I consider key when reaching my decision. I don't mean this as a courtesy to either party, instead it reflects the informal nature of this service and my role in it. However, I'd like to assure both parties that I've considered all the information provided when reaching my decision.

The core complaint point is that the claim wasn't settled within the time period I'm considering. This is because Covea has concerns about Mr N and Ms S potentially being underinsured, and those concerns haven't been fully investigated as Covea needs more information to do so, which they say Mr N and Ms S haven't provided. Mr N and Ms S say they have provided all the information that they've been asked for.

Mr N and Ms S' policy covers their fixtures and fittings at the property they let out. This is defined in the policy (and by an endorsement on the schedule) as:

"Fixtures and fittings

- boilers, central heating equipment, ducts, fires, fixed pipes, storage heaters and tanks;*
- built-in domestic appliances, furniture, kitchen units and floor coverings including fitted carpets;*
- cables, light fittings, switches and wires;*
- fitted aerials, masts and satellite receiving equipment;*
- fixed glass and sanitary ware."*

The total policy limit Mr N and Ms S have for fixtures and fittings is £2,500.

Following the leak, the carpet at the insured property has been replaced, and an invoice submitted for £2,490. So, this is near the total policy limit. Mr N and Ms S say the cost was higher than it would've otherwise been due to pressure from the letting agents to avoid health and safety issues for the tenant, as they didn't have the opportunity to search for cheaper quotes. But because the claim made is near the policy limit, and given the other items which would also be classed as fixtures and fittings in the property (which aren't being claimed for), I think Covea has reasonable concerns about the total amount of cover Mr N and Ms S opted for when taking out the policy, and by extension that they are potentially underinsured.

Having looked at all the communication, along with the timeline, each party seems to hold the other responsible for the delays resulting in the claim not being settled within the period I'm considering. And having looked at everything, I don't think one party is necessarily wholly responsible, or significantly more responsible, than the other. I can see that there were some gaps between Covea contacting Mr N and Ms S with requests for information and this being responded to by them. And I can also see gaps between Mr N and Ms S responding and Covea then replying to them. This also wasn't helped by Covea contacting Mr N and Ms S' relative rather than them, despite being told already that Mr N had returned from abroad and would be dealing with the claim going forward – albeit this didn't cause excessive delays overall. I also don't think Covea has disadvantaged Mr N or treated him unfairly based on his occupation and being overseas as they allowed time to respond too.

So, I don't think one party is necessarily solely responsible, or in the majority responsible, in terms of causing delays by the timescale they've taken to respond to the previous communication or request from the other party. In my view, it is a combination of both parties.

However, whilst I say that, I do think that Covea has actually caused the overall timescale to be extended for other reasons. And that's because I don't think they've been very clear in what they've been wanting to know from Mr N and Ms S in order to consider the potential underinsurance further, and this has led to Mr N and Ms S not answering with what Covea was trying to determine. I'll explain why I think this below.

Covea is reasonably able to ask for information from a policyholder if needed and that includes if they have concerns about the claim and/or policy. And as I've said, I can see why Covea wants to explore potential underinsurance here, as the claim made is close to the policy limit. And given the other items which would fall under fixtures and fittings as defined, it may well be the case that there is underinsurance. So, Covea wants to know the total value of all the items in the property that would fall under the fixtures and fittings definition, not just those damaged and being claimed for. I.e. the total amount of all fixtures and fittings as defined, separate to the claim and damage. This is so Covea can see if there is underinsurance as they suspect, and if so, by how much. They also want to know why that level of cover was selected when taking out the policy in the first place.

I recognise this is important for Covea to know as it could potentially have implications on the claim and/or the policy under relevant insurance laws and legislation, including the Insurance Act 2015 - which could include proportionate settlement or policy voidance as a potential remedy to underinsurance. But I know this because of my insurance knowledge and experience, so I can interpret what Covea is trying to understand from Mr N and Ms S, and why. But in my view, it hasn't been clearly explained to Mr N and Ms S by Covea what underinsurance is, and the importance and impact this could have on their claim and/or policy, and what or why Covea are trying to obtain the information they are. And that's evident in the communication between the parties. I say this because in my view, unclear questions, concerns and implications have been put to Mr N and Ms S, and I can see by their responses they think they are answering what is being asked and haven't really understood (through no fault of their own).

I'll summarise some examples of the communication below to illustrate why I think this:

Shortly after the claim was made, Covea said to Mr N and Ms S' rep:

"Unfortunately we will not be able to agree the claim until the issue of likely underinsurance has been addressed. We will require an explanation and response from either (Mr N) or (Ms S) once they are able to respond please. We will also need them to provide an accurate figure to cover all Fixtures and Fittings for which they are responsible."

Mr N later replied on his return:

"Can you please explain the underinsured comment? I am not sure what that entails, fixture and fittings wise the flat was let un-furnished."

In my view this shows Mr N didn't really understand what Covea was trying to establish.

Covea later asked:

"Secondly we previously questioned the sum insured you have as you are only covered for £2500 but the carpets alone nearly total this. Can you please advise of the total amount you feel your fixtures and fittings (as per the definition mentioned above) should be. Please confirm why you only selected cover for £2500"

Mr N responded:

"The £2500 was accurate and good to the best of our knowledge at the time of application...been put under time pressure by the letting agent to resolve the issue of the mould for health and safety reasons...Due to this there wasn't time to scour the market for the best (or lowest) possible rate and it was accepted that a premium would be incurred by using the agent's favoured business, in the interests of speed. Hence the cost for the carpets."

This indicates that Mr N didn't fully understand what Covea was trying to establish (that they needed to know, separate to the claim, the total of fixtures and fittings as defined), he believed £2,500 was reasonable when taking out the policy, and that the cost of the carpets was only higher due to how they needed to be replaced.

Covea also said:

"We are awaiting response on a previous email that has been sent regarding underinsurance, we will need an accurate reflection of the cost of all fixtures and fittings regarding the property to know what the insurable sum should be for the property.

Until we have received a response for this question we will be unable to progress your claim."

And Mr N responded:

"The flat insurance amount stands as reported and insured for. Now please progress the claim."

This indicates Mr N believed Covea were asking him what items he was claiming for and the value of them, rather than Covea trying to determine the total value of items defined as fixtures and fittings, separate to what was being claimed.

And at one point, Covea referred to Mr N being overinsured, rather than underinsured:

"Finally, please can you provide an accurate value for the fixtures and fittings within your property as looking at your cover with Covea Insurance you have selected to protect up to £2500.00 and therefore you may be over insured."

Whilst my consideration is up to the date of Covea's final response, and I'm satisfied the above in itself supports my view about Mr N and Ms S' misunderstanding based on Covea's unclear questions, I thought it would also be helpful to include Mr N and Ms S' comments in response to Covea's final response (Mr N and Ms S' comments in response to Covea are underlined and in bold for clarity):

"They (Covea's agent) advised that they require an accurate reflection on the costs of all fixtures and fittings regarding the property Provided on numerous occasions, emails as evidence - I can provide every email where I have confirmed the amount is accurate? Have you seen this correspondence? This is to understand what the insurable sum should be, as it seems to be above the insured limit of £2,500 Incorrect the amount being claimed for following the damage to the carpets is well under the £2500 limit - have you seen the receipts for the amount requested from insurance? This comment would indicate not."

And the following day:

"I am not comfortable with you trying to force us to retrospectively change the cover amount due to the cost of the carpet change - costs that couldn't have been predicted at the inception of the policy. The amount of cover was right and proper at the time the policy was taken out."

Therefore even after a more detailed explanation had been provided about what Covea was trying to understand (the day after the final response), Mr N was still unclear and thought he was being asked to retrospectively change the sum insured, rather than because Covea was still trying to establish the total that should have been insured for when taking out the policy.

So, although neither party, in my view, was necessarily more responsible than the other in terms of delays in timescales when replying, I think by Covea not being clear what they were asking and why, despite it being clear Mr N and Ms S didn't fully understand, this has caused the claim to be longer than it otherwise needed to be during the period I'm considering. I think Covea could have, and should have, provided further explanation and clarification, when it was clear Mr N and Ms S didn't understand what was being asked of them.

However, Covea does still require the information they need in order to consider whether there is underinsurance, and whether any relevant remedy under the relevant law and legislation (such as the Insurance Act 2015) applies. So, whilst Covea, in my view, has caused matters to be longer than they could've been, I don't intend on directing them to settle the claim, as it's not yet been validated - and can't be until the potential underinsurance issue has been determined.

Whilst I won't be directing Covea to deal with the claim at this stage, as outlined, I think they've caused matters to be longer than they otherwise would've been by being unclear in their line of questioning. But I do also need to take into account there were times when both parties also caused some delays in their timescales responding anyway, so Covea isn't solely responsible for the total timescale. Therefore, unless anything changes as a result of the responses to my provisional decision, I intend on directing Covea to pay Mr N and Ms S a total of £250 compensation for any delays they've caused (during the period I'm considering), which includes those caused by the unclear questions, which prevented Mr N and Ms S being able to answer with what Covea needed to know.

If Mr N and Ms S wish to continue pursuing their claim (if it hasn't already been settled), they'll need to provide any information Covea reasonably needs in order to consider the claim and underinsurance further. But I'll also be clear here that whilst I'm not directing this as part of my decision, Covea should take into account they are the insurance experts, and Mr N and Ms S aren't. So, Covea should be clear in exactly what they are needing to know and require from Mr N and Ms S to enable them to respond and avoid further misunderstandings."

So I was minded to uphold the complaint and to direct Covea to pay Mr N and Ms S £250 compensation.

The responses to my provisional decision

Covea didn't respond by the deadline they had to do so.

Mr N and Ms S responded. They said they were disappointed the provisional decision wasn't directing Covea to settle the claim but were prepared to accept the outcome. They made the following points and requests:

- They highlighted that Covea had separately awarded them £100 compensation for communication failures after February 2025. Mr N and Ms S wanted confirmation the £250 compensation outlined in the provisional decision was separate to that.
- That the whole matter has caused significant stress and frustration, and they were left repeatedly unclear as to what was required – and they appreciated the provisional decision recognised Covea's role in prolonging matters.
- The property has now been sold, meaning they no longer have access to it. Mr N and Ms S requested that the decision specified that Covea were to provide exactly what they needed in plain English, and with an example or template that they could respond to.

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.

And I've thought carefully about the provisional decision I reached and the response to it. Having done so, my final decision remains the same as my provisional decision.

Firstly, to clarify, I've only considered up to the date of 24 February 2025, which is when Covea issued their final response. It is for this period I'm directing Covea to pay £250 compensation, and I took into account the frustration and distress caused during this time by Covea when deciding on the appropriate amount of compensation. If, as Mr N and Ms S say, Covea paid them £100 for poor communication after February 2025, then this would be separate to the compensation I'm directing for the period I've considered.

I acknowledge that Mr N and Ms S' requested that the decision outlines how Covea should ask them for information, but I'm not going to outline the specifics as a direction in my final decision. This is because it is for Covea to validate the claim, so it is for Covea to decide what information they need, and the format they need it in, to do so. I also talked about this in my provisional decision:

"If Mr N and Ms S wish to continue pursuing their claim (if it hasn't already been settled), they'll need to provide any information Covea reasonably needs in order to consider the claim and underinsurance further. But I'll also be clear here that whilst I'm not directing this as part of my decision, Covea should take into account they are the insurance experts, and Mr N and Ms S aren't. So, Covea should be clear in exactly what they are needing to know and require from Mr N and Ms S to enable them to respond and avoid further misunderstandings."

Therefore, if they wish to pursue the claim, Mr N and Ms S and Covea will need to liaise with each other. And if what is being asked for isn't clear, then Mr N and Ms S will need to let Covea know this so they can clarify.

My final decision

It's my final decision that I uphold this complaint and direct Covea Insurance plc to:

- Pay Mr N and Ms S £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N and Ms S to accept or reject my decision before 3 February 2026.

Callum Milne
Ombudsman