

The complaint

Mrs H complains that Covea Insurance plc caused delays in settling her claim made on her motor insurance policy. She wants it to settle her claim and pay her compensation.

What happened

Mrs H was involved in an accident, and she made a claim to Covea. Her car was deemed to be beyond economical repair. But Covea said it wasn't able to make a total loss payment until a finance company had removed a finance marker from the car. This took over two years to be done. Covea then told Mrs H that it would now progress her claim and she would receive her payment shortly.

But this wasn't correct as Covea said it hadn't completed its validation of the claim. Covea called Mrs H and asked for a document provided by the finance company, which she said she no longer had. It said it couldn't settle the claim without this, and it then sought it from the finance company. Mrs H was unhappy with this change in advice, and she wanted her claim settled.

Our Investigator didn't recommend that the complaint should be upheld. He thought Mrs H should raise her concerns about her Data Subject Access Request (DSAR) with the Information Commissioner's Office (ICO). He thought Covea hadn't caused avoidable delays in the claim. He thought Covea hadn't fully validated the claim when it told Mrs H that it was ready to settle. He thought it had corrected this within a few hours. And he thought its apology for failing to manage Mrs H's expectations was fair and reasonable.

Mrs H replied asking for an Ombudsman's review, so her complaint has come to me for a final decision. She thought Covea should release the funds because it had told her that it would proceed with the claim.

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.

It's now three years since Mrs H's car was damaged when she collided with a parked car. She's explained that losing her car and having to repay her finance company have had serious effects on her health. And I was sorry to hear about this.

Mrs H has told us that she has taken her concerns about the information provided by Covea after she made a DSAR to the ICO. So I won't consider these concerns further here.

From what I can see, Covea has now decided to pay Mrs H a settlement without receiving the document it requested from her. It said this was due to a lack of response from Mrs H's finance company. I won't comment on that as this decision was made after Covea issued its response to Mrs H's last complaint.

Covea is obliged to deal with claims fairly and promptly. My consideration here is whether Covea caused avoidable delays in the claim and whether it treated Mrs H fairly when it withdrew its verbal confirmation that it would pay her claim within five days. I've considered Covea's file and a timeline helpfully provided by Mrs H.

I can see that there were considerable delays when Mrs H initially raised her claim. These were due to:

- Covea's inability to contact Mrs H as she said it called her at inconvenient times or when she was abroad,
- Disagreement about her disclosure of information important to Covea when Mrs H had taken out her policy,
- Covea's lack of the address to where her car had been recovered,
- Disagreement about the payment of storage charges, and
- A very slow response from Mrs H's finance company to Covea's requests for information to validate the claim.

I can understand that these delays caused Mrs H stress and frustration. But from what I can see, Covea made steady attempts to progress her claim and I can't see that it caused any avoidable delays in doing this. As our Investigator has explained, there's no fixed time in which insurers must settle claims. And sometimes claims can take some time to validate. So I can't hold Covea responsible for the delays in settling the claim.

Covea had told Mrs H that her payment for the total loss of her car would be raised once the finance marker had been removed from the car by the finance company. I can see from its file that it regularly checked this in order to progress the claim.

Some 21 months after the claim was raised, Mrs H called Covea and told it that there was no longer any finance on the car. But it found that the marker was still in place. It asked Mrs H for written confirmation from her finance company that the finance had been settled. I think that was fair and reasonable and in keeping with the policy's terms and conditions as Covea wouldn't be able to make payment to Mrs H if there was outstanding finance owed.

Mrs H then provided a letter from the finance company saying that it had no further financial interest in the car. Unfortunately, the scanned letter wasn't legible in full. So, a month later Covea asked Mrs H for the original letter, but she didn't then respond. This was again unfortunate as I think Covea was entitled to ask for documents to validate the claim.

Eight months later, Mrs H called to ask if the finance marker had been removed. Covea said it had been removed, and it incorrectly told Mrs H that her payment would be made within five days. The error was identified and Covea called Mrs H back the same day to retract this advice and told her that it still needed the original letter from the finance company. But Mrs H said she hadn't retained this.

When an insurer makes an error, as I'm satisfied Covea has done here, we expect it to restore the consumer's position as far as it's possible to do so, and we expect it to compensate the consumer for the impact of the error.

To restore Mrs H's position, I'm satisfied that Covea continued to make efforts to validate the claim by contacting the finance company directly. In terms of impact, Covea raised Mrs H's expectations that her claim would then be paid. But I'm satisfied that it promptly corrected this within a few hours after the error was spotted.

After Mrs H complained, Covea apologised. And I think that's in keeping with our published guidelines for the impact the error had on Mrs H during the short period of raised expectations. I don't require Covea to do anything further.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or

reject my decision before 6 May 2026.

Phillip Berechree
Ombudsman