DRN-6131162

The complaint

Mrs H has complained that Covea Insurance plc declined a claim she made on a mortgage payment protection insurance (PPI) policy.

What happened

In 2022 Mrs H raised a claim for carer's cover. Covea declined the claim on the basis that she hadn't provided enough evidence that she left a permanent job to become a carer.

I wrote a second provisional decision last month in which I explained why I wasn't thinking of upholding the complaint. Mrs H has provided some further comments in response to this, which I will address below.

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 carefully considered the obligations placed on Covea by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Covea to handle claims promptly and fairly, and to not unreasonably decline a claim.

In response to my latest provisional decision, Mrs H has reiterated that she did not leave her job to become a carer for her son. That was understood, based on her previous submissions. However, based on the available evidence, the claim she made in 2022 was for carer's cover. And her complaint was that the claim was declined. I can only deal with the issues that were initially brought to Covea and that it responded to in its final response letter of 17 March 2025.

According to Mrs H's own timeline of events, she became unemployed on 13 May 2019 after the sudden death of her employer and the immediate closure of the company. She was six months' pregnant at the time and had expected to take some maternity leave and return to work afterwards. Her child was then born prematurely in July 2019 and had complex health needs. She's said it was sometime after her child's second surgery that she realised she wouldn't be able to return to work. The available evidence suggests that she first applied for carer's allowance in 2021.

Covea declined the claim on the basis that she hadn't provided enough evidence that she had left a permanent job to become a carer. Based on Mrs H's own version of events, she also agrees that she didn't leave a job to become a carer. Therefore, I'm satisfied that this was the correct outcome and that it was reasonable for Covea to decline the claim. It follows that I do not uphold the complaint.

I said in my last provisional decision that I was persuaded by what Mrs H had said about the circumstances of losing her employment due to the death of the owner in May 2019. So, if Mrs H chose to make a new claim for unemployment from May 2019, Covea should accept that version of events when assessing the claim. My view remains the same in this regard.

However, as well as the loss of her job due to the death of her employer, Covea would also need to look at Mrs H's wider circumstances to decide if any claim should succeed. The problem is that there are discrepancies about those wider circumstances, mainly due to inconsistencies in what Mrs H has said.

As I'd mentioned previously, someone would need to be working at least 16 hours per week in order to be eligible to make an unemployment claim. In the first phone call to Covea, she'd said she was working 40-48 hours per week. Then, in the statement of claim, she said that she'd been working 15 hours per week. In response to my first provisional decision, Mrs H said that, as well as working 15 hours per week for her former employer, she also had a small business where she was working a maximum of 25 hours per week. In response to my last provisional decision, Mrs H has now said that she was working for 16 hours per week.

It's understandable that these differing statements would cause concern for Covea and make the assessment of any claim more difficult. So, whilst finding that Covea should accept the version of events about losing her job due to the death of her employer, Mrs H should be aware that, if she decides to make a new claim for unemployment, she would need to provide very compelling evidence in relation to the wider circumstances, in order to dispel the discrepancies that have arisen to date.

So, as I'd said in my last provisional decision, I don't require Covea to do anything more. I leave it to Mrs H to decide whether she wishes to pursue a new claim for unemployment, which she would need to make directly to Covea. If she does so, and is unhappy with the outcome, it would be open to her to make a new complaint about that.

Mrs H has said that, when she first raised the claim in 2022, Covea told her that she'd need to keep paying the premiums until a resolution was reached, even though she was unemployed at that point. This issue didn't form part of the original complaint that Covea responded to. Therefore, she would need to make a new complaint about this point to Covea in the first instance.

As I understand it, the policy is still active, so Mrs H may wish to consider whether it still meets her needs or whether she should cancel it.

I'm sympathetic to Mrs H's situation. It's clear that she hasn't had an easy time of things. But the question is whether Covea has done anything wrong – and I'm unable to conclude that it has. It was reasonable for it to decline the claim for carer's cover stemming from events in May 2019.

My final decision

For the reasons set out above, my final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 11 March 2026.

Carole Clark
Ombudsman