

complaint

Miss S complains about the level of service provided by Covea Insurance plc under her motor insurance policy following an accident. She wants a refund of her policy excess, her car radio repaired and compensation.

background

Covea took Miss S's car for repairs following an accident. But Miss S was unhappy that the car's radio wasn't repaired. The engineer said this damage was unrelated to the accident. Miss S said there had been delays and a lack of communication by Covea. She was also unhappy that it was likely to settle the claim as 50/50 split liability. Covea agreed there had been service issues and it offered Miss S £150 compensation for this.

Our investigator didn't recommend that the complaint should be upheld. He thought Covea was entitled to rely on the engineer's view about the radio. He thought it had reasonably asked Miss S to get an independent engineer's report to show that the damage was accident-related. He thought Covea was entitled to settle the claim 50/50 as liability was disputed. This would mean the claim would be recorded as a fault. He thought Covea's offer for the service issues was fair and reasonable.

Miss S replied that there was no evidence that the radio hadn't been damaged in the accident. She thought Covea's offer didn't compensate her for its poor communication and delays. She was still waiting for her excess to be refunded and couldn't afford insurance because the claim was recorded as fault. Miss S asked for an ombudsman's review, so her complaint has come to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can understand that this has been a frustrating and stressful experience for Miss S. I was sorry to hear about the accident and that she had her child with her at the time. From what I can see from Covea's file and Miss S's emails, her car was repaired in reasonable time.

What Miss S is unhappy about is her radio not being repaired, delays in settling liability as Covea had input the wrong car registration for the other driver, delays in getting reimbursement for her child seat, having to chase for updates, liability not being settled which meant a fault claim was recorded, her policy excess hasn't been refunded and it's likely that the claim will be settled as split liability.

Covea said its engineers didn't consider that the damage to the car's radio was consistent with the accident circumstances. We don't assess whether or how such damage would be caused as this is a matter for the experts in these situations, the insurance companies and engineers. Our role in these complaints is to determine whether an insurance company has considered all the available evidence and whether it can justify its decision to not pay for additional repairs.

I think it's for Miss S to show that the radio was damaged in the accident. I can see that Covea invited Miss S to provide an independent inspection of whether the damage was accident-related and it said it would then review this. But unfortunately Miss S couldn't afford to do this. Without such a report, I think Covea can reasonably rely on its expert engineer's view. So I don't require it to pay for the radio's repair.

I agree that Covea made a mistake in inputting the incorrect registration for the other driver's van. It was two months until Covea corrected this and then the other driver's insurer denied liability. Mistakes happen. But I think if the correct registration had been inputted initially, then liability would still have been disputed. So, although I can understand Miss S's frustration, I can't say that this delayed the settlement of her claim.

It took Covea a week to refund Miss S for the cost of her child's car seat. Miss S chased this up during this time and had to point out the information she'd provided. I don't think that's an unreasonable length of time. But better service from Covea could have avoided causing Miss S stress and frustration at this time. Covea didn't always respond to Miss S's communication as it didn't have any updates for her. But I think this could have been explained at the time.

Covea agreed that it had caused delays in the claim through a lack of proactivity and its communication was lacking. It offered Miss S £150 compensation for this. And I think that's fair and reasonable as it's what I'd require in similar circumstances. I don't require Covea to increase this.

Covea said the claim was likely to be settled as split liability. It isn't our role to decide who was responsible for causing the accident. This is the role of the courts. Instead, our role in complaints of this nature is simply to investigate how the insurer made the decision to settle the claim. Did it act fairly and reasonably and in line with the terms and conditions of the policy?

Covea is entitled under the terms and conditions of its policy with Miss S to take over, defend, or settle a claim as it sees fit. Miss S has to follow its advice in connection with the settlement of her claim, whether she agrees with the outcome or not. This is a common term in motor insurance policies and I don't find it unusual.

The collision occurred on a roundabout. There were no independent witnesses or CCTV footage to consider. So it was one driver's word against the other. The other driver's insurer denies liability. In such cases where neither side will accept liability then a split liability settlement is standard industry practice. I can't say that Covea has been unfair or unreasonable in telling Miss S that this is the likely outcome.

In the meantime, Miss S has paid her policy excess and is awaiting a partial refund. But this wouldn't be paid until the claim was settled. And I can't say that Covea needs to pay Miss S this as a gesture of goodwill, as she has requested, as it's not a requirement of her policy.

While the claim is open, it's been recorded on external databases as a fault. This will be the outcome if the claim is settled as split liability. Miss S has explained that this makes renewing her insurance unaffordable for her. This is very unfortunate, but I can't reasonably hold Covea responsible for this.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 3 April 2020.

Phillip Berechree
ombudsman