

The complaint

Mr H is unhappy with what Covea Insurance plc did after he made a claim for a stolen bike.

What happened

Mr H has contents insurance with Covea which includes cover for accidental loss or accidental damage to personal possessions. In September 2022 he made a claim on his policy as his bike had been stolen. He submitted further details of the claim and in November Covea said it would settle the claim for £852 net of the policy excess.

However, five days later Covea said it had reviewed matters and thought some of the items Mr H had claimed for weren't covered. It made a revised offer of £565 (also net of the excess). It subsequently agreed to increase that by £30 to cover the cost of new pannier fixings.

Our investigator agreed with Covea that some of the items Mr H had claimed for weren't covered by his policy. And she thought the settlement offer it had now made was fair. But she thought he'd been given a false expectation that a higher amount would be offered. And Covea should have included the pannier fixings cost in its original offer. She said it should pay Mr H £125 in recognition of the distress and inconvenience it had caused him (which included £25 that Covea's claims team had previously offered).

Covea asked for clarification of the compensation amount which our investigator provided. She asked it to confirm whether it agreed to pay this and said if we didn't hear from it the case would be moved for review by an Ombudsman. As Covea hasn't responded I need to reach a final decision.

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.

The relevant rules and industry guidelines say Covea has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably

I've looked at the terms and conditions of Mr H's policy. This does cover accidental loss or damage to personal belongings (in addition to other causes set out in the policy which include theft). The definition of personal belongings includes "*pedal cycles*". And I don't think it's in dispute the policy covers the claim Mr H made for his bike.

However, I think Covea was right to conclude some of the other items Mr H had claimed for weren't covered by his policy. His claim included things he'd bought for his bike but were still in his possession. I understand why he wanted to claim for those but as he still had them there isn't a loss here that's covered by his policy. And while I appreciate Mr H incurred costs in getting home after the theft there's no cover in his policy for that either.

The damage to his cycle helmet might be something the policy would cover. But for personal possessions (though not pedal cycles) the policy requires these are in the policyholder's custody or control. In this case I understand Mr H had left his helmet with his bike. However, I don't think it would have been unreasonable for him to have kept the helmet with him as he's said he did with other items that weren't part of the bike. So I don't think it was unfair of Covea to exclude the helmet from the claim he made.

But I agree Covea should contribute to replacement pannier fixings as these were fixed to Mr H's bike and so were lost when the theft took place. I also agree Covea should have included this in its original settlement. And I think Covea did give Mr H an expectation his claim would be paid in full when it emailed him on 9 November. He accepted that offer and provided his bank details in response.

I accept that error was remedied relatively quickly but it's clear Mr H was nevertheless caused some avoidable distress by that. I think the total compensation our investigator recommended of £125 is reasonable in the circumstances.

My final decision

I've decided to uphold this complaint. Covea Insurance plc will need to put things right by paying Mr H £125 (which for the avoidance of doubt includes the £25 its claims team had already offered to pay him).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 December 2023.

James Park
Ombudsman