

The complaint

Mr and Mrs T complain about the way Covea Insurance Plc handled a claim they made on their home insurance policy for damage caused by subsidence.

What happened

In 2020, Mr and Mrs T contacted Covea to notify it of damage to their property. Covea accepted a claim made for damage caused by subsidence. During the claim, Mr and Mrs T complained about Covea's handling. In January 2021 Covea responded to a complaint from Mr and Mrs T and that was brought to our service.

In September 2022, Covea responded to a further complaint from Mr and Mrs T. They raised issues with Covea's contractors and communication, as well as issues around alternative accommodation (AA). Covea accepted there had been issues and it offered Mr and Mrs T £250 to resolve this complaint.

Shortly after, Covea responded to another complaint with a final response sent in November 2022. In this response it recognised matters hadn't moved forward since the previous complaint and not all areas of the complaint had been considered. Covea offered Mr and Mrs T £500 compensation. This was later increased to £750 after further contact with them. Covea also offered around £11,000 for Mr and Mrs T to have some repairs carried out themselves.

Mr and Mrs T didn't accept Covea's offer but said they would accept £1,000 compensation. As Covea didn't agree to increase the amount anymore, Mr and Mrs T brought the complaint to our service.

Our investigator didn't think Covea needed to do anything more to put things right. She acknowledged the claim was still ongoing but said we could only cover issues up until the final response of November 2022.

Mr and Mrs T didn't accept that and asked for an ombudsman's decision. They said issues were still ongoing and they had specifically raised Mrs T's disability with Covea, and it hadn't responded about what reasonable adjustments it would make. They requested £5,000 compensation. They also asked that Covea be instructed to expedite the work on the property as it was unresponsive to them.

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.

In line with the investigator, I've considered events up until the November 2022 final response letter. Mr and Mrs T have referenced further issues they've had this year. I want to be clear I haven't considered any further issues when deciding this complaint. Mr and Mrs T have also mentioned a key date where they told Covea of a disability. As this also happened

after the final response of November 2022, I haven't considered this as part of this complaint. If Mr and Mrs T would like anything after that date reviewed, they will need to refer a further complaint to this service.

As this is an informal service, I'm not going to respond here to every point Mr and Mrs T and Covea provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything provided – including Mr and Mrs T's response to our investigator's assessment.

Unfortunately, by their nature, claims of this type often involve inconvenience for the policyholders. I can't fairly require Covea to pay compensation for any that's directly caused by the original loss – the subsidence. However, I can do so where the insurer's poor handling of the claim or mistakes have caused unnecessary or additional distress or inconvenience.

Covea accepts in its final responses that it has made errors. And it accepted in November 2022 that it hadn't fully considered the impact of its errors on Mrs T in particular. There were several issues around AA and Mr and Mrs T only being given short notice about moving from their property, which was difficult for Mrs T due to her health condition. Mr and Mrs T were also forced to relocate Mr T to a different hotel whilst he was poorly and self-isolating. This was because Covea extended his stay at the wrong hotel. This put Mrs T's health at risk and caused considerable distress and inconvenience.

I understand there were numerous other issues involving contractors communicating poorly and not addressing issues. This led to Covea issuing a cash settlement for works to of around £11,000. This amount isn't factored into any award of compensation for unnecessary distress and inconvenience caused. But I have also considered that as well as recognising its errors, Covea also made this offer, which Mr and Mrs T accepted, to help them move the claim forward in November 2022. This is what I'd expect it to do as part of resolving a complaint.

It is clear this has been a very difficult experience for Mr and Mrs T, and their circumstances mean they've been affected more so than other people would have in the same scenario. It is always difficult to quantify compensation in these circumstances. Covea says across the two final responses, it paid £1,000 for the unnecessary distress and inconvenience caused. So I have to consider whether this is in line with what I'd expect an insurer to offer to recognise the impact of its mistakes given what it knew about Mr and Mrs T. And having considered all of Mr and Mrs T's points, I think it is. So I'm not going to require it to pay any more.

My final decision

For the reasons given above, I don't require Covea Insurance Plc to pay any further compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 16 August 2023.

Michelle Henderson
Ombudsman