

The complaint

Mrs A and Mr J complain about the way Covea Insurance plc has handled a claim under a motor insurance policy.

Because Mr J has been leading on this complaint, I've referred to him throughout.

What happened

The circumstances of this complaint are well known to both parties, so I've summarised events.

- In early February 2023, Mr J reported to Covea that he'd been involved in a motor incident. He said a third-party vehicle had scratched the side of his car when he was reversing out of his driveway to complete a U-turn.
- Mr J told Covea his car had been purchased through a finance agreement and was due to be returned to the finance company in early March 2023, and so, he needed the claim dealt with promptly.
- On 1 March, Covea agreed to settle the claim and offered Mr J a cash settlement minus the excess payable under his policy. It also told Mr J the claim had been recorded as a "*fault*" claim.
- Unhappy with how the claim had been handled, Mr J complained to Covea. In its final response, it explained that an excess applied regardless of the fault liability status, but it accepted it could have told Mr J earlier on that it considered him to be at fault. So, it paid him £70 compensation.
- Mr J remained unhappy and brought a complaint to this Service. An Investigator considered it but didn't uphold it.
- Because Mr J disagreed, the complaint has been passed to me for an Ombudsman's 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.

Having done so, I agree with the outcome our Investigator reached. And I'll explain why.

Excess

- Mr J has said he's not complaining about having to pay an excess in connection with the claim, but as this was addressed in Covea's final response to him, I've included it for completeness.

- Although Mr J considers himself to not be at fault for the incident and therefore, not responsible for paying the excess, as he's making a claim, the excess applies because ultimately, it is still a claim on his policy, and the excess isn't linked to who's at fault.
- Covea has explained this to Mr J, and it's also stated in the policy document which says *"Excess – The amount of money you must pay towards the cost of a claim."* So, I'm satisfied Covea has fairly deducted the excess from the cash settlement amount.
- If the third-party insurer accepts liability, Mr J could try to reclaim the excess from it. But that's for him to do, not Covea – and so, I don't consider Covea to have acted unfairly by not pursuing this on Mr J's behalf.

Liability

- It's not this Service's role to determine which party is at fault in a motor incident. Rather, it's to consider whether the insurer has handled the claim in a fair and reasonable manner when reaching its position on liability – which includes how its chosen to settle the claim.
- Covea has said the claim is currently recorded as "fault" and has offered a cash settlement allowing Mr J to have the necessary repairs carried out.
- Whilst Mr J has said the third-party admitted their fault at the scene, there isn't evidence to support this. Covea has attempted - on several occasions - to get in touch with the third party but hasn't been successful in doing so.
- Covea has explained why the circumstances at the time of the incident meant it would be difficult for it to defend the claim – namely because Mr J was the party conducting a manoeuvre at the time of the incident and there isn't CCTV to support his account.
- I'm satisfied Covea has given Mr J the opportunity to dispute liability by sending and asking him to complete a manual claims form – it says it hasn't received this, though Mr J refutes this.
- Based on what I've seen, I'm satisfied Covea reached its decision on liability having considered all the available evidence. And so, it was reasonable for Covea to record the claim as a "fault" claim based on the information it had.

Claims handling

- Covea has accepted there was a delay in telling Mr J the claim was going to be recorded as him having been at fault. Whilst I appreciate it would have been upsetting for Mr J to hear this, ultimately, the delay didn't impact the outcome of the claim and how it was progressed. So, I consider the £70 compensation paid by Covea to be reasonable in the circumstances.
- It's normal practice for business to pay compensation to recognise its service has fallen short, and so, I don't consider Covea to have acted unreasonably by paying this directly to Mr J's account.
- Mr J has said Covea didn't attempt to contact the third party or their insurer to obtain a statement from the third party, but I disagree. The evidence I've seen shows Covea made several attempts to get in touch with the third party, but it was to no avail. So,

I'm satisfied it took reasonable steps in respect of this.

- Mr J has said Covea should be responsible for any penalties he incurred when returning his vehicle late to the finance company, but I don't agree. Covea offered to cash settle the claim on 4 March – around the time Mr J needed to return his car. From what I've seen, up until this time, Covea progressed the claim in a timely manner and didn't cause any avoidable delays. If Mr J subsequently chose to return the car later and incur fees, I don't consider it reasonable to attribute this to Covea's handling of the claim.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr J to accept or reject my decision before 16 October 2023.

Nicola Beakhust
Ombudsman