

## **The complaint**

Mr T complains about the way Covea Insurance plc (Covea) dealt with a claim on his motor insurance.

## **What happened**

Mr T had motor insurance with Covea. His car was damaged and Covea arranged for it to be repaired. Mr T was happy with the repairs except that the petrol cap was missing when the car was returned. Mr T contacted Covea and the garage a number of times, but over a year later the missing part still hadn't been replaced.

Mr T complained to this service. Covea said it hadn't had a complaint from him and asked for some time to respond. Covea partially upheld the complaint and offered Mr T £100 compensation and a cash settlement for the missing part if the quotes it was awaiting were considered reasonable.

Mr T wasn't happy with this and so our investigator looked into what happened. The investigator upheld Mr T's complaint and said Covea should pay Mr T £750 compensation in recognition of the inconvenience caused to him in having to continually chase Covea and its approved repairer to try to get his car repaired.

Covea didn't agree, although it did increase the offer of compensation to £350. Our investigator didn't change her view so the complaint has been passed to me. Mr T wants compensation as he says that he had intended to sell the car but couldn't because of the missing part, and so it has depreciated in value.

## **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 uphold Mr T's complaint. I'll explain why.

Mr T's insurance policy documents with Covea said:

*"Damage to the car*

*What is covered under this section*

*This section provides you with cover for loss or damage to the car and its accessories caused by accidental or malicious damage, or vandalism.*

*The insurer will decide either to:*

- *Repair the damage themselves; or*
- *Pay to have the damage repaired; or*

- *Pay to replace what is lost or damaged if this is more cost effective than repairing it; or*
- *Pay you an amount equal to the loss or damage.*

*...If suitable replacement parts are not available the insurer will pay the manufacturer's last list price."*

However when it became clear there would be delays with the garage getting the part, Covea didn't advise Mr T that there were other options, or offer to settle the claim in another way. I am aware that there have been widespread difficulties in the motor trade in getting hold of parts over the last few years. However I don't think that this is a sufficient reason for it taking over a year to deal with a straightforward matter.

In response to our investigator's view, Covea said:

*"I must advise that I disagree with the compensation amount offered, having reviewed my file I accept that more compensation is due but not the amount of £750.*

*I can see that following the return of [Mr T's] vehicle he contacted us three times between May 2022 and April 2023. It was unfortunate that the garage flooded which caused a significant delay to get the vehicle sorted. However, between October 2022 and January 2023 we were not made aware that the customer wanted to trade in his vehicle, he accepted that the part had still not been received which is out of our control and was ok to wait for it.*

*I also note that in April and May 2023 we offered for the customer to get his own quote via different communications and that we would cover the costs. To date nothing has been provided, so I must question the detriment caused if the customer is also not in a rush to get this rectified.*

*My compensation would be £350 for the delays and communication from the garage but the industry is still struggling due to backorder parts. The customer also had a drivable vehicle and was happy for it to be returned in the current condition. Please also note that we do not accept responsibility for depreciation in value nor hypothetical situations such as the customer was going to trade in his car."*

I don't think any of this changes the fact that for over a year Covea didn't offer Mr T an alternative solution, despite the fact that he contacted both Covea and the approved repairer on numerous occasions.

This service has guidelines on the compensation we think businesses should pay consumers when a complaint is upheld. Our information for consumers says:

*"An award of over £300 and up to around £750 might be fair where the impact of a mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months, but it could also be fair to award in this range if a mistake has a serious short-term impact."*

I can't say whether Mr T's car depreciated in value while he was waiting for the missing part, or if it did, by how much. However I can say that he suffered significant inconvenience over an extended period of time and it needed a lot of extra effort to try to sort things out. So on balance I think that £750 is a fair and reasonable amount of compensation.

**My final decision**

For the reasons above I uphold Mr T's complaint. I require Covea Insurance plc to pay Mr T £750 compensation in recognition of the significant inconvenience it caused him and the extra effort it put him to over an extended period of time.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 23 October 2023.

Sarah Baalham  
**Ombudsman**