

## The complaint

Mr R has complained that Covea Insurance plc (Covea) unfairly avoided his home insurance policy and refused to pay a claim based on an unfair valuation of his contents.

## What happened

Mr R took out a home insurance policy with Covea. When Mr R's home was burgled, he contacted Covea to make a claim. Covea assessed the claim and said Mr R had answered the question it asked about the value of his contents incorrectly. It considered this entitled it to treat the policy as if it never existed and not to pay the claim. It said it would return the full premium Mr R had paid.

When Mr R complained to this service, our investigator didn't uphold it. He said if Mr R had declared the correct value of the contents, Covea had shown it would have refused to offer cover. He said Covea had acted fairly by voiding the policy and refusing to pay the claim.

Mr R didn't agree and asked for an ombudsman's decision. He said Covea had incorrectly valued his contents.

I issued my provisional decision on 6 November 2023. In my provisional decision, I explained the reasons why I was planning to uphold this complaint. I said:

*Covea thinks Mr R didn't provide reasonable information when he took out the policy because he gave the value of his contents as £54,000. When Covea assessed the burglary claim, it said the value of his contents was £116,600. It said it wouldn't have offered the policy had it known the actual value of his contents.*

*I asked Covea to confirm how the policy was taken out. For example, whether it was online or over the phone. It didn't provide this information. It also told this service it couldn't provide the question Mr R was asked when he took out the policy. But, it said the insurance schedule showed the amount Mr R had chosen to insure his contents for was £54,000. I don't currently think this is enough information to show Mr R didn't provide a reasonable answer when he took out the policy. Depending on what Mr R was asked, and any guidance provided at the time, this might have meant he provided an accurate answer. For example, if he was asked "what is the value of your contents?", this might be a different answer to "how much do you want to insure your contents for?". It is for Covea to show it asked a clear question when the policy was taken out and that Mr R didn't answer it reasonably. I don't currently think Covea has done this.*

*I also asked Covea to provide more details about its underwriting criteria, as I didn't think the information it had already provided showed what action it would have taken had it known the value of Mr R's contents when he took out the policy. Covea didn't provide any further information to show what action it would have taken. So, I don't currently think it has shown it wouldn't have offered Mr R cover at all if he had given a higher value for his contents.*

*Mr R also disagreed with the amount Covea said his contents was worth. Covea provided this service with some details that seemed to be for the stolen contents, along with some*

*values. I asked Covea to provide further information, including the specific calculation that showed the contents as a whole was worth £116,600. Again, it didn't provide any further information to show this.*

*Covea said Mr R didn't provide reasonable information when he took out the policy. But it hasn't shown what information it asked him for or why the information he gave was unreasonable. So, I'm not currently persuaded it would be fair for it to avoid the policy and decline the claim. As a result, I currently intend to uphold this complaint and to say Covea should reinstate the policy and continue to assess the claim.*

I asked both parties to send me any more information or evidence they wanted me to look at by 4 December 2023.

Covea didn't reply.

Mr R replied and, in summary, said:

- He wasn't asked to input a value for his contents. He couldn't remember the exact nature of the question he was asked and whether there was some confusion between this and the default reinstatement value of the property in the questions. £54,000 was the default value.
- He had lived in his house for 17 years and, inevitably, junk had built up.
- He was not told the purpose of the loss adjuster's visit, but he had assumed it was to look at paperwork and receipts.
- The loss adjuster had forcefully pushed Mr R to accept values of a room within a matter of moments of entering the room. In the end, the loss adjuster went with whatever she decided.
- The loss adjuster was trying to move fixed wardrobes to see if she could class them as contents.
- The loss adjuster entered a bedroom used to store items such as old clothes. Within a minute, without lifting a single item of clothing, she said the contents was valued at £40,000. When Mr R argued with this, she brought it down to £25,000. He questioned on what basis the loss adjuster had changed the value by £15,000.
- He found the loss adjuster's actions really underhanded. He felt her sole purpose was to undermine the claim as best she could. Mr R later complained about her actions but was told they were the experts and knew these things. He questioned how valuations were reached without lifting a single item of clothing and spending a matter of minute in each room. His complaint was ignored and he didn't receive the information.
- He thought Covea and the loss adjuster had been very unfair in their conduct towards him and the methods used. The burglary had a massive impact on Mr R and his family, including making one of his children afraid. He referred to photos that he said showed the devastation left to his home. He didn't have words for the tactics used by Covea.

### **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 uphold this complaint and for the reasons given in my provisional decision. As part of that, I've considered the comments from Mr R in response to my provisional decision. Having thought again about the circumstances of the claim and complaint, I remain

of the view that Covea should reinstate the policy and continue to consider the claim. It should also remove references to the policy avoidance from databases.

### **Putting things right**

Covea should reinstate the policy, remove references to its avoidance from databases and continue to assess the claim.

### **My final decision**

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require Covea Insurance plc to:

- Reinstate the policy
- Remove references to the policy avoidance from databases
- Continue to assess the claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 2 January 2024.

Louise O'Sullivan  
**Ombudsman**