

## **The complaint**

Mr C complains about Covea Insurance plc ("Covea") for its decision to insist on a single insurance policy for the building which he owns. Mr C brought this complaint to us with his late wife who has recently passed away. I therefore address only Mr C in this decision and offer Mr C my sincere condolences for his loss.

## **What happened**

Mr C owns a property which is split into two commercial premises. There is a front retail unit and a workshop at the rear of the property. These two units have separate services and separate entrances.

Since 2020, Mr C insured the two units separately. He obtained insurance via brokers, and both units were insured by Covea. Around the end of 2022, Mr C and his late wife were going through the process of renewal and Covea learned that the units were the same property and were both on the same deed.

Covea applied its underwriting criteria and contacted them saying that the two properties must be insured under the same policy as it was one building. Covea offered to incorporate both policies into one policy and indicated that there would be a mid-term adjustment fee.

Mr C notes that the midterm adjustment fee was very high and disproportionate to the cost of insuring separately and so he cancelled the policies. Mr C complained to Covea. Within the complaint letter Mr C indicated that he was concerned that his previous policies had not been valid.

Covea responded in January 2023. It maintained its view that it would only insure the units as a single property. It did not address the comments about whether the previous policies had been valid. Mr C then contacted us.

Our investigator looked into this matter and felt that Covea had been wrong to insure the units separately previously, but that it was entitled to now insist on a single policy. She considered that Covea ought to pay £75 compensation for having previously insured the separate units. The parties did not accept that view and Mr C requested an ombudsman decision.

I issued a provisional decision in respect of this matter in July 2023. In that provisional decision I set out that I could not consider the status of the previous policies and that Mr C would need to raise this as an explicit concern with Covea if he remained concerned. In respect of Covea's insistence that the properties be insured under one policy, I considered that Covea was entitled to decide what business it took on and how it handled risks, and so I did not think Covea had done anything substantially wrong. I therefore provisionally did not uphold Mr C's complaint.

That provisional decision has been shared with the parties and they have been invited to comment. Covea has not responded to the provisional decision. Mr C has responded, letting

us know about the passing of his wife and indicating that he cannot pursue this complaint at this time.

### **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 again extend my sympathies to Mr C and entirely understand that he is not in a position to pursue this matter further now. I fully appreciate that he will have many other demands on him at this sad time.

I must, however, draw this matter to a conclusion and as no comments have been received in respect of my provisional decision, and Mr C has not indicated that further time would assist, I adopt my provisional decision and reasons as my final decision.

### **My final decision**

For the reasons given above, and in my provisional decision, I do not uphold Mr C's complaint and do not ask Covea Insurance Plc to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 September 2023.

Laura Garvin-Smith  
**Ombudsman**