

The complaint

Mr L and Mr L complain about the way Covea Insurance plc recorded a claim made on Mr L juniors motor insurance policy.

Mr L junior is the policy holder and his father, also Mr L, was a named driver. For ease, I'll refer to Mr L junior as Mr L(J) throughout this decision and his father and Mr L.

What happened

Mr L(J) was involved in a car accident in 2018 which wasn't his fault. No claim was made on his insurance policy. Instead, he claimed through the third-party insurer.

In 2019, Mr L contacted Covea as his broker had told him he was showing as the driver involved in the 2018 accident on the Claims and Underwriting Exchange (CUE). In October 2019, Covea wrote to Mr L to confirm the changes had been made with CUE.

In April 2023, Mr L was again told by his broker CUE was showing as him being involved in the accident. He contacted Covea again many times in a week to try to get this resolved.

Mr L complained to Covea. It didn't uphold his complaint and said it'd recorded everything correctly and sent a copy of the data from their supplier, C, confirming this and explained Covea couldn't assist further.

Mr L contacted the Motor Insurance Bureau (MIB) and their results confirmed he was still showing on CUE as being involved in the accident. So, he referred his complaint to this Service for an independent review. An anonymised extract from the Investigators view is set out below.

'I contacted MIB for some more information about the record they hold. MIB have explained to me that there are three different suppliers of information to CUE. These are A, B and C.

As I understand it, an insurance company uses their preferred choice of supplier of information to the CUE database and in the case of Covea, that is C.

MIB have told me the supplier loads the data from the insurer they represent to each other. Meaning, the preferred supplier would then update the other two suppliers. This should mean that all three suppliers have the same details recorded.

I asked MIB to search for any records against Mr L(J) and Mr L.

MIB have provided me with the data stored by C. This shows Mr L(J) is recorded as the party involved in the accident. It is recorded as non-fault. So I'm satisfied this is correct. However, MIB have also sent a copy of the record from B, one of the other suppliers. The data held by them shows Mr L as being the driver involved in the accident in December 2018, which is clearly not correct. This would explain why the broker alerted Mr L about the notification last year. I've attached a copy of the record from B.

As I have explained, MIB have said it is the responsibility of the insurer's preferred supplier to ensure the claim information is correctly shared to the other suppliers.

We know the claim wasn't recorded correctly in 2018 and Covea arranged to have CUE updated in April 2019. Based on what I've seen, I think on balance, this wasn't updated with the other suppliers in 2019, so I think the claim record has been incorrect since 2018 showing he was involved in the accident.

I realise this may've not been Covea's fault directly, but as C is Covea's preferred supplier, they are responsible for the actions of C. MIB have told me sometimes when suppliers load to each other, it can fail as different suppliers have different formats they use. So it doesn't sound like something unique has happened here.

I'm mindful Covea said in their final response letter that they couldn't help any further. However, I think they could've contacted C to see what they could do with liaising with the other suppliers.

Mr L is concerned that he has paid increased premiums since 2018 and that may well be the case. I also think Mr L has been caused a large degree of inconvenience having to contact Covea, MIB and the Information Commissioners Office for something he wasn't involved in and through no fault of his own.'

To put things right, the Investigator thought Covea should do the following:

1. Work with their supplier, C, to ensure the claim is recorded on CUE correctly across all databases with Mr L removed from the claim entry.
2. Provide Mr L with a letter setting out what's happened and accepting responsibility. This will allow Mr L to engage with his insurers past and present regarding any premium amendments to reflect he was not involved in the accident in 2018.
3. Pay Mr L £500 compensation for the distress and inconvenience caused to him by the incorrect record on CUE.

Covea says it's not fair as C is an external company. The database is used by all insurers, this is an external database that it has no control over. It therefore asked for an Ombudsman's decision. The Investigator communicated with Covea to explain why this didn't change her view.

Mr L accepted the recommendations. But he says the claim is still showing on CUE incorrectly and this is affecting his renewal price.

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.

The Investigator set out her analysis of the situation, a significant part of which is set out above. I consider the Investigator set out matters clearly, usefully illustrating how Covea has let Mr L down and why it's responsible for this. I agree with the Investigators outcome for the same reasons. I therefore uphold this complaint and I'm satisfied Covea should compensate Mr L for the impact on him. It also needs to put matters right by following the other recommendations.

I would just reiterate the Investigators explanation – whilst C is an external company, it is Covea's preferred supplier of information to CUE. As such, Covea is ultimately responsible for the actions of C (or inaction) in failing to correctly update the record when Covea was

informed it had made the initial error. I'm satisfied this is a well-established principle. In light of this, it's disappointing the matter has reached the stage of requiring a decision.

Finally, pending a letter from Covea, Mr L may find he can use this decision when he engages with his insurers past and present regarding any premium amendments.

Putting things right

To put things right, Covea must take the following steps.

1. Work with their supplier, C, to ensure the claim is recorded on CUE correctly across all databases with Mr L removed from the claim entry with B.
2. Provide Mr L a letter setting out what's happened and accepting responsibility for the initial mistake which has led to this claim continuing to be recorded against him.
3. Pay Mr L £500 compensation for the distress and inconvenience caused.

It must pay the compensation within 28 days of the date on which we tell it Mr L(J) and Mr L accept the final decision. If it pays later than this, it must also pay interest* on the compensation from the date of my final decision to the date of payment at 8% a year simple.

*If Covea Insurance plc considers it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mr L how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons set out above, I uphold Mr L and Mr L's complaint and require Covea Insurance plc to take the steps outlined above to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mr L to accept or reject my decision before 11 April 2024.

Rebecca Ellis
Ombudsman