

## The complaint

Mrs L complains about Covea Insurance plc (“Covea”) and the way they classified a payment made to her in 2018, following a road traffic accident that resulted in her car being deemed a total loss.

## What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, in the summer of 2018, Mrs L was involved in a road traffic accident that resulted in her car being deemed a total loss.

Covea issued a settlement payment based on their valuation of Mrs L’s car. But Mrs L was unhappy with this valuation, and she raised a complaint about this. Covea didn’t uphold Mrs L’s complaint, referring her to our service if she remained unhappy with the payment she received at that time.

In 2022, following the settlement of her personal injury claim, Mrs L contacted Covea again to discuss the settlement payment received for the value of her car. But Covea explained the claim had been closed and they wouldn’t be offering anymore. Mrs L was unhappy about this, as she felt she’d been told the payment made in 2018 was made on an interim basis only. So, she complained about this.

Covea responded to this complaint in 2023 and didn’t uphold it. They thought they had acted fairly when classifying the payment in 2018 as an interim payment, as this was the only way Mrs L would accept it at the time. Despite this, they thought they made it clear to Mrs L they didn’t intend on increasing the valuation and that if Mrs L wanted to dispute this, she’d need to contact our service. So, they didn’t think they needed to do anything more. Mrs L remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into Mrs L’s complaint about the classification of the 2018 payment and didn’t uphold it. They thought Covea had made it reasonably clear that the payment was their final offer, and that Mrs L would need to contact our service within six months of their complaint response in 2018 if she wished to dispute this further. And they didn’t think they’d seen evidence to suggest Covea had confused this understanding in correspondence sent in the years that proceeded. So, they didn’t think Covea needed to do anything more.

Mrs L didn’t agree, providing several comments explaining why. These included, and are not limited to, her belief that as the cheque she received was marked “*interim*” that it wasn’t made clear to her that Covea wouldn’t be revisiting the offer they made.

And she felt this then impacted her understanding of what action to take, meaning she failed to raise her complaint about the valuation with our service within time for our service to consider it further. So, she wanted to be compensated for this, amongst other service issues she felt she’d experienced. As Mrs L didn’t agree, the complaint has been passed to me for a 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'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I think it would be useful for me to set out exactly what I've been able to consider. I want to make it clear that this decision will not be considering the actual valuation of Mrs L's car, or whether any complaint about this should be considered by our service, as this was dealt with separately under a different complaint reference.

Instead, my decision focuses solely on Mrs L's more recent complaint to Covea, which centres around the way they classified her payment and whether they acted unfairly when doing so.

I also want to make it clear to Mrs L that I've thought carefully about all the representations she's made, even if I don't comment on them specifically. And I think it's also important to note that our service is evidence-based and so, my decision will be based on the evidence available to me. And where appropriate, I will use this evidence to decide what I think is most likely to have happened, on the balance of probability.

I've then turned to my decision itself. And I think to begin with, I want to make it clear that from the evidence I've seen, and from Mrs L's testimony, I'm reasonably satisfied that the cheque Mrs L received in 2018 was most likely marked as an "interim" payment. This is because Covea themselves don't dispute that the payment was processed on an interim basis as Mrs L had made it clear she didn't agree with the valuation overall and wanted to dispute it. So, I'm satisfied this is what happened here.

But crucially, I don't think this means Covea acted unfairly. This is because around the same time the cheque containing the payment was sent to Mrs L, I've seen Covea issued a final response to Mrs L's original dispute and complaint about the valuation. And within this response, it states clearly that Mrs L was "entitled to treat this letter as our final response". So, I do think it was made reasonably clear by Covea that they didn't intend to consider any further increase to the payment.

And I think this was then furthered by an email sent to Mrs L on 4 September 2018, around a month after Covea's final response and still within the six-month time period to contact our service, which stated:

*"I can see that {claims handler} has previously explained the payment has been made on an interim only basis. The reason {claims handler} keeps on saying this is because we know you are still unhappy with the value".*

Within the same e-mail, Covea then go onto explain that:

*"As in your case, the Customer Relations Team have previously issued you with a response via letter dated 10 August 2018. This letter explains that the gross value of £1,890 is full and final and we will not be increasing the valuation further (although I appreciate to you it's*

*classed as an interim payment as you still don't accept this). On the bottom of that letter we also details your rights as a customer if you remain unhappy with this decision and the next steps, which is to contact the Financial Ombudsman Service."*

The email is then ended with the following statement:

*"I appreciate you remain unhappy with the valuation and I must advise that the letter dated 10 August 2018 is our full and final value, as aforementioned."*

I'm satisfied Mrs L received this e-mail, as she herself provided a copy to our service. So, based on the above, I think Covea made it reasonably clear why the payment Mrs L received was labelled as *"interim"*. And that despite this, it represented their full and final payment.

I'm also satisfied that this was made reasonably clear to Mrs L within a reasonable amount of time, that allowed Mrs L to progress her dispute through the appropriate next steps should she wish to do so. And having reviewed the system notes provided by Covea, I've seen no evidence to show that further contact was held between Mrs L where the interim payment was discussed and information given that would've, or should've, confused Mrs L regarding the status of the payment, and what steps she could take next.

So, because of the above, I don't think I can say Covea have acted unfairly regarding the complaints I've been able to consider within this decision and so, I don't think they need to do anything more on this occasion.

I understand this isn't the outcome Mrs L was hoping for. And I want to reassure Mrs L again I've considered all her testimony. And within that, I note she raised additional issues such as the handling of the claim itself in 2018, and their inability to initially find her policy at the time. But these aren't issues I'm able to consider, as this decision focuses solely on Covea's classification of the payment made in 2018, and the communication between Mrs L and Covea about this around that time.

And while I note Mrs L feels there are calls between her and Covea where mis-information was given, I've no evidence to show this was the case. So, I've had to rely on the evidence I do have available, which in this case are Covea's system notes. And in line with our service's approach, I must assume these notes are accurate and unaltered, as I have no reason to believe otherwise.

### **My final decision**

For the reasons outlined above, I don't uphold Mrs L's complaint about Covea Insurance plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 6 June 2024.

Josh Haskey  
**Ombudsman**