

The complaint

Mr W complains about on-going issues with Covea Insurance plc when dealing with a claim made on his commercial buildings insurance policy.

What happened

The background to this complaint is well known to both sides so I've not set this out in detail. But in summary, Mr W notified Covea of a potential leak under his property in June 2023. This was following information provided to Mr W by his water company.

Covea initially appointed a leak detection survey and didn't think there was an issue with the internal pipework. Following this first inspection, it didn't think there was damage which needed addressing as a claim under the policy.

After more information was provided and a further leak detection assessment was completed, Covea agreed to progress the claim with a leaking pipe under Mr W's kitchen in the property being identified as the source of the leak.

The repair works involved excavating the damaged pipe in Mr W's property before replacing this with a new length of pipework and reinstating the area.

Following the reinstatement of the area, Mr W was concerned about damp in the property. It was identified the property was not dried ahead of the reinstatement of the pipework and this led to issues with damp in the property.

Mr W complained to Covea about the progress of the claim when Covea initially declined it. A final response was sent on this complaint on 25 September 2023. Following the progress of the claim after this point, Mr W complained again and Covea issued a final response on 10 April 2024.

Covea said its service had fallen below the standards it expects and the damp in Mr W's property was the result of the property not being dried ahead of the reconstruction work to the floor being completed. To acknowledge the subsequent inconvenience caused, it offered Mr W £600. It also said the claim remained ongoing and any further help or updates on the claim would be provided directly.

Mr W brought his complaints to this Service, this complaint is focused on what happened between 25 September 2023 and 10 April 2024. A separate decision has been issued focusing on the events prior to this.

Our investigator looked at the complaint and felt the offer made by Covea for the inconvenience added through its handling of the claim and the failures to have the repairs completed properly was fair. They acknowledged errors had been made but felt the award offered was in line with what we'd expect to see offered to recognise the impact of these failings.

Mr W disagreed with the outcome and felt more needed to be done with other things needing

to be considered as he raised additional losses as a result of the delays. Our investigator explained any new complaints need to be passed to Covea to deal with in the first instance and are not something they could consider with this complaint. And for the reasons they'd already explained, they felt the offer made by Covea was fair and reasonable for these.

Mr W disagreed and asked that the complaint be passed to an ombudsman for 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 agree with our investigator that the offer made by Covea to recognise the additional inconvenience added to this claim is fair and reasonable. And I am not upholding it or asking Covea to increase this and will explain why.

I appreciate the frustration Mr W has experienced with the handling of this claim. Although considered separately to this decision, there has been issues with the claim and its progress from the start. And after the leak was identified and the works required to put this right, errors have occurred which have led to further delays with Mr W being unable to use his property as is intended.

It has been accepted that work has not been completed as it should have been and this has added to the time taken to settle this claim with Mr W's property being brought back to the pre-loss condition. This includes both the initial errors with the reinstatement work and subsequent issues with the repairs being completed for the damp and whether this has been completed in line with the drying companies reports.

The property is a short term let property and Mr W has highlighted this impacting his business and it has clearly increased the level of inconvenience to him when managing this claim. However, the claim is still ongoing and I've not seen that Mr W has made a claim for the loss of rental income and I cannot comment on this or any other subsequent losses he feels should be covered under the policy. These will need to be considered by Covea in the first instance before we can determine if it has acted fairly when reaching its claims decision.

As a commercial customer, Mr W can expect to incur some inconvenience when managing his property for his business needs. This includes a level of disruption when needing to deal with insurance claims on the property. But the additional inconvenience he's experienced when managing this claim is beyond what is reasonable to expect and has been added to as a direct result of the errors with the claim handling and repair works. I feel it is correct that Covea compensate Mr W for this and its offer of £600 in recognition of this is fair and reasonable.

Mr W will need to raise any concerns and elements of his claim not yet considered by Covea with it directly for consideration. If he is unhappy with any response, this can be considered as a new complaint. But unfortunately, despite the claim being ongoing, new issues cannot be added to this complaint and the handling of the claim as it is only focused on what has happened up until the date of the final response in April 2024.

Overall, I think the award offered by Covea for the impact of the claim handling on Mr W is fair and if it hasn't already paid this, I would expect it to make payment to Mr W for this amount.

My final decision

I don't uphold Mr W's complaint as the offer made to put things right by Covea is fair and reasonable, being in line with what I'd expect to see.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23 October 2024.

Thomas Brissenden
Ombudsman