

The complaint

Mr H has complained about the way in which Tesco Underwriting Limited ('Tesco') has handled his theft claim under his home insurance policy.

For the avoidance of doubt 'Tesco' includes its representatives, loss adjusters and claims agents in this decision letter.

What happened

In April 2022 Mr H contacted Tesco under his home insurance policy to inform it of items which were missing following a break in. Tesco appointed an agent to investigate as the claim was for a sum which exceeded £24,000. A claims agent was also appointed to manage the claim. Mr H complained that he'd signed a form allowing Tesco to request a police report, but this wasn't followed up by Tesco promptly. Tesco said that this was out of its control, that it had chased the report and when received, there was no password to access it. Mr H thought that Tesco had taken too long, whilst Tesco considered that it had actioned the claims process in a timely manner.

Mr H remained unhappy with Tesco's claims handling and what he considered to be poor service and lack of communication, so he made a complaint to this service. He wished to receive an apology from Tesco, wanted his excess fee to be waived, and also wanted to receive compensation for what he considered to be his poor claims experience.

Our investigator upheld Mr H's complaint. He thought that delay in processing the claim could have been avoided by Tesco through better attention to detail. He also thought that Tesco should have communicated with Mr H about his claim so that he didn't need to chase for updates. As to obtaining the police report, our investigator was satisfied that Tesco hadn't been responsible for unreasonable delays in this respect.

As to compensation, our investigator believed that Mr H should be compensated for the inconvenience caused. He noted the service's published guidance on compensation and said that £100 was a figure the service would consider reasonable for repeated small errors requiring reasonable effort to sort out. Tesco didn't agree that it should pay compensation.

Mr H remained unhappy with the outcome of his complaint and the matter has been referred to me to make a final decision in my role as Ombudsman.

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 key issue for me to determine here is whether Tesco treated Mr H in an unfair or unreasonable manner in processing Mr H's claim under his home insurance policy. I've concluded that it didn't do so in all respects, and I'll explain why.

I've considered all the available evidence as well as the submissions of both parties and I turn firstly to what Mr H has said. At the start of the claim, he said he was referred to another company for the electrical items and to Tesco for the rest of the claim. The total claim was for just over £24,000 and he said that his contents' insurance was for up to £75,000. Mr H said that the cause of the first delay was that Tesco 'pulled' the other company from the electrical claim. It then arranged a company to conduct a home visit and, at that time, the representative said that it had accepted the claim. Tesco appointed a loss adjuster and wanted another face to face appointment and then said it would need to apply for a police report. Mr H said that after several weeks of not hearing anything back, he contacted Tesco who advised that the police report had been requested. A couple of weeks later, he called back, only to be told that the police report had in fact only just been requested.

Mr H complained about a lack of communication by Tesco once the police report had been received. He said he didn't receive promised telephone calls and that nearly three weeks after being told Tesco had the report, then said it hadn't received a password. Mr H said: - *'Another delay, another lie'*. He also stated that he called Tesco at the end of August 2022. After being on hold, he finally spoke to someone who said that he hadn't reached the right team and was then on hold for another 30 minutes. Finally, someone picked up and put him on hold to check with the loss adjusters. Mr H discovered that Tesco had contacted his old insurance company about a fire claim he'd made a few years previously. Mr H couldn't understand why Tesco waited until after the police report to ask for this information. In summary, Mr H thought that Tesco was giving misinformation and was delaying the claim. He said Tesco didn't have his correct address although he'd told it twice to correct the error.

Finally, Mr H said that he'd had to pay out of his own pocket to replace some of the electrical items *'as they were needed either for working from home and my needed leisure time.'* He said that the stress and strain in dealing with the matter had caused a number of anxiety attacks and said; - *'I have been made to feel like I am the person at fault rather than the victim of a crime. I have never had a call in regard to my case and how it is progressing, I have had to scratch and claw for any snippet of information...Taken up my own time to call on a number of times and spend hours on hold.'*

Tesco stated in its final response letter that the company it had appointed to validate the claim suggested appointment of loss adjusters. The loss adjusters duly attended the property and advised that due to the extent and nature of the claim, they believed it would be useful to apply for the police report. It confirmed that it had also approached Mr H's previous insurer who dealt with a fire claim and requested a copy of the file and details of items which were claimed for. It said that this would assist in the validation of the claim.

Tesco also said that it instructed an agent to take a statement and investigate further, once it became clear that the list of all missing items totalled approximately £24,000. Also, the loss adjusters were instructed to manage the claim due to its value. Tesco noted that Mr H was unhappy that it had instructed three different bodies to deal with the claim. However, it said that as information unfolded, this was the correct process and the policy wording stated that it could appoint others to validate a claim. It said that the police report took a while to be issued and then there was further delay in obtaining the password. As to the address Tesco was using, it said the details were provided by Mr H when he took out the policy online. As to delay, Tesco said that investigations had been on-going. It said that Mr H had called for updates even though he'd been informed by Tesco shortly before, that it was awaiting information from his previous insurer.

I now turn to each of the complaint points. Firstly, I note that Tesco initially instructed a specialist electrical firm and then changed its mind and considered all items together. Whilst I appreciate that this may have caused some initial confusion and delay, I can't say that this was an unreasonable approach. It became clear that the claim was for a very substantial

amount and in the circumstances, it was not unreasonable for the insurer to decide to take a careful and co-ordinated approach.

I now turn to Mr H's point that following a home visit, the representative had said that it had accepted the claim. Whilst it's unfortunate if this is the case, again due to the size and circumstances of the claim, I don't consider it would have been unreasonable for Tesco to then have appointed a loss adjuster, to conduct a further face to face appointment and to apply for a police report. It's recognised that insurance companies must necessarily take measures and conduct further enquiries in many cases to ensure that claims are legitimate and to counter fraud.

Following the loss adjuster's visit, Mr H was told that Tesco would request a police report and Mr H said he didn't hear back for several weeks. Unfortunately, such processes can take time and I don't consider that the timescale was within Tesco's control. I note that Mr H had to chase Tesco and he was advised that the police report had been requested. Whilst it would be best practice to keep the policyholder updated throughout the process, I don't consider that this was a significant service failure, as there was no information to share until the report had been received.

Mr H also thought that Tesco had provided misleading information. He said that a couple of weeks later, he called back, only to be told that the police report had only just been requested. Tesco had therefore miscommunicated the position to Mr H at some point as to the timing of the request for the police report. In this respect I agree with Mr H that the response hadn't been entirely fair and reasonable. I agree with our investigator however that this would be classed as a small error which would require only reasonable effort to resolve.

Mr H then complained about a lack of communication by Tesco once the police report had been received, that he didn't receive promised telephone calls, was kept on hold and that nearly three weeks after being told it had the report, it only then said it didn't have a password. I agree that Tesco could have communicated the position to Mr H more clearly. Again however, I consider these to be relatively limited service failures.

I've noted that Mr H couldn't understand why Tesco waited until after the police report to ask for information about a previous significant claim. Tesco has said that, due to it having an incorrect address for Mr H on its system, it wasn't identified that Mr H had a previous fire claim with a different insurer. I'm persuaded that Tesco wasn't originally aware of this previous claim and pursued the matter when it was made aware of it within an adequate timescale. I can't say that Tesco acted unfairly or unreasonably in terms of the timing of its request for this information.

Mr H has complained that Tesco didn't have his correct address even though he'd told it twice to correct the error. Whilst I accept that Mr H may have tried to correct the error, I'm persuaded that Tesco had used the information which Mr H had made available in his online application for an insurance policy and it's likely that this error was the reason for any subsequent confusion and his having to 'scratch and claw' for information. Sadly, it's inevitable that thorough investigations need to be carried out when a criminal offence has occurred, such as this break-in. This is particularly the case where more than one claim has been made in recent years, involving significant sums.

In conclusion, I don't consider that Tesco has generally acted in an unfair or unreasonable manner in relation to Mr H's claim. Whether or not it does ultimately settle Mr H's claim, I do however agree with our investigator that there have been limited communication failures. I'm satisfied that Tesco has already apologised for certain service failures, albeit the relevant letter of apology may not have been received due to the confusion referenced above.

In this limited respect, I uphold Mr H's complaint and consider that it would have been fair and reasonable for Tesco to have communicated its concerns to Mr H more clearly. I don't however consider that it would be appropriate for Tesco to be required to waive any excess fee if it does decide to settle Mr H's claim, in view of the limited nature of this uphold decision. In the circumstances, I consider that modest compensation of £100 should be paid to Mr H for inconvenience caused by the limited service failures in this case. The claim should now be progressed to final settlement or declinature in accordance with the policy terms and conditions. I'm satisfied that this represents a fair and reasonable outcome to Mr H's complaint.

My final decision

For the reasons given above, I uphold Mr H's complaint against Tesco Underwriting Limited in relation to the limited service failures identified in this decision letter and I require Tesco to pay compensation to Mr H in the sum of £100 only.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 January 2023.

Claire Jones
Ombudsman