

The complaint

Mrs C and Mr C complain Tesco Underwriting Limited (Tesco) caused unnecessary delays and made errors when settling their claim on their motor insurance policy.

References to Mrs C or Mr C, will include the other.

What happened

In November 2021 Mrs C was involved in a collision with a dog whilst driving her car. The dog was unharmed, but the car was damaged.

The owner of the dog admitted liability to Mrs C.

Mrs C made a claim on her motor insurance policy that she held with Tesco. It accepted the claim, and a £300 excess was charged.

Mr C said he had months going backwards and forwards with Tesco to try and settle the claim and the return of the excess paid. He said in mid-2022 it was found that Tesco had not been chasing the third-party.

Mr C said he got an email informing him the third-party insurers had agreed to liability and then another that said this was a mistake.

Mr C said it caused a lot of stress not only financially but just the whole issue hanging over them and it had taken up a lot of their time trying to get Tesco to progress the claim. He felt they were due compensation in addition to the apology received.

As Mr C was not happy with Tesco, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said Tesco made errors which merit more than just an apology. They said Tesco should have done more to establish the third-party's position in relation to insurance. And there was a time of no movement between March 2022 and June 2022. They said it would be fair for Tesco to compensate Mr and Mrs C with £150.

As Tesco are unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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 saw that Mrs C notified Tesco of her claim in November 2021.

Mr C explained the situation to Tesco and said the dog owner had admitted liability for the incident and offered to cover Mrs C's policy excess directly. Tesco advised against this.

I saw that Tesco explained to Mr C that a recovery of claim costs may be difficult if it was unable to prove negligence on the part of the dog owner. It also explained that their policy no claims discount would be affected if it had to settle as a fault claim and there would be no recovery of the £300 excess paid.

I saw evidence of Tesco chasing the claim with the third-party in February 2022. It said the third-party insurer was not responding and it was passed on to a different insurer who dealt with the pet plan policy.

On review of the evidence provided, it shows Tesco chasing the third-party insurers in February 2022 and March 2022. The next date I saw evidence of Tesco chasing them was in June 2022 and July 2022.

I saw that Tesco accepted it provided Mr C with incorrect information in June 2022 when it advised by letter that the third-party had agreed fault. And when it realised its error later the same day, it informed him of its error.

I saw on 22 July 2022 Tesco apologised for the delays caused and for providing different information regarding possibility of recovery. It said it had not acted fairly. However it did not think any compensation was due.

Tesco said delays were caused due to the complex nature of the claim and the possible insurance cover of the dog. It said whilst recovery took some time, it said it did not cause any unnecessary delays and it had continued to chase the other insurer.

Although I accept that the third-party insurers took time to look into this claim, I think Tesco should have been more proactive in moving this case forward between March 2022 and June 2022.

In any claim there will be an element of stress. But I think the lack of activity by Tesco during these months caused Mr and Mrs C more than the levels of frustration and annoyance they might reasonably expect. And Mr and Mrs C had to spend time contacting Tesco to try to progress the resolution of this claim.

I do not think an apology is enough in this case.

Therefore, I uphold Mr C's complaint and require Tesco to pay £150 compensation for the stress caused to them over a longer period of time than was necessary to progress their claim. And for the time taken by Mr and Mrs C to try to progress the claim.

It is noted the claim was finally closed in October 2022 after the third-party insurer accepted liability. And Tesco returned to Mrs C and Mr C their excess of £300 and closed the claim as non fault, allowing the no claim discount.

My final decision

For the reasons I have given I uphold this complaint.

I require Tesco Underwriting Limited to pay Mrs C and Mr C £150 for the stress caused due to the unnecessary delays and the time they spent trying to progress their claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 25 May 2023.

Sally-Ann Harding
Ombudsman