

The complaint

Miss E says Tesco Underwriting Limited provided poor service when she made a claim on her motor insurance policy after an accident.

What happened

Initially Miss E used the non-fault services of an accident management firm and got a hire car. The other driver then disputed liability for the accident, so Miss E made a claim on her policy on 15 October 2022. The car was already with her local garage ('garage O') and it provided a quote for the repair work. But Tesco thought it was excessive. By mid-November it had sourced another quote, which was much lower. After some disagreement about the quotes, Miss E agreed to use one of Tesco's approved repairers on 14 December 2022.

Tesco then struggled to find a garage to carry out the repair work. It instructed 'garage S' on 20 December 2022, but it took a long time after that to retrieve Miss E's car from garage O. Its storage bill had to be settled first, and there were complications with that. The issue was finally resolved on 19 January 2023 – and Miss E got a courtesy car just a week earlier.

Miss E complained to Tesco about its delays and about not having had a replacement car for so long. She also said she hadn't been contacted about what was happening with the claim, so she'd had to make numerous calls to find out, and to chase for progress. Tesco offered her £220 for 22 days loss of use, as it accepted that she should have had a car from the date on which garage S was instructed. But Miss E wasn't happy with Tesco's proposal.

After she contacted us, one of our investigators reviewed Miss E's complaint. She said Tesco should have paid her for loss of use from 14 December 2022, so it should pay a further £60. She also said it should pay Miss E £100 compensation for distress and inconvenience. Later, she said that sum should be increased to £150. Tesco accepted her view, but Miss E didn't. She said she was without her car for several months due to Tesco's delays and that its poor contact with her had impacted on her mental health. She also said she'd lost her long-standing relationship with garage O.

The investigator pointed out that some of the issues Miss E had raised with us hadn't been raised with Tesco by her. She said it would have to be given the chance to review them first and informed Tesco of them on Miss E's behalf. She said we'd be able to look at the issues after Tesco had done so - if Miss E wasn't satisfied with its response.

As there was no agreement, the complaint was passed to me for review.

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 estimates and delay

When Miss E told Tesco she wanted to use her own repairer, an advisor told her that garage

O's repair estimate would have to be authorised by Tesco. Had the estimate (submitted in mid-October 2022) been acceptable to Tesco, it's likely the repairs would have begun in November 2022. But as Tesco thought the estimate of £6,700 was excessive, given the relatively small amount of damage to the car, I think it was entitled to seek another opinion, even if that meant a delay. The second repair estimate (which was around £3,700) was received in mid-November 2022. As it reinforced Tesco's view that the first estimate was far too high, further discussion had to take place about how the repairs would be handled.

Miss E was unhappy when told that Tesco didn't accept garage O's estimate, as she'd used the garage for many years and had a good relationship with the owner. Tesco agreed to have another independent assessment carried out, but in the end that didn't happen. I can see that would have been frustrating for Miss E, and she feels strongly that is an issue on which she was deliberately misled by Tesco.

I think a clear explanation for the lack of another inspection may have reduced the amount of stress Miss E was facing at the time. The file notes show that Tesco's agent tried to arrange a further inspection - but was unable to find a suitable assessor to do it. It seems Tesco and its agent continued to liaise with garage O until mid-December 2022, in the hope that it would submit a revised estimate. At that point Miss E agreed to use one of Tesco's approved repairers. In my opinion, there was *some* delay during this period that may have been avoidable, but it wasn't excessive. And I think Tesco tried to move matters along for most of the time, but the availability of independent assessors was outside its control.

Miss E has told us that the most infuriating aspect of the dispute about the estimates is that garage S ended up charging a similar sum for the repairs as was set out in garage O's estimate. So she thinks months were wasted for no good reason. Miss E wants us to address this issue now, but as she didn't raise it initially with Tesco, we can't look at it until Tesco has had a chance to investigate her allegation.

Replacement car

The hire car was taken back when liability was disputed in October 2022. As her car wasn't driveable, Miss E was without transport until 11 January 2023. Garage O didn't provide a car for her, and she had no entitlement to a courtesy car under the policy when using her own repairer. Miss E only agreed to use an approved repairer on 14 December 2022 because Tesco and garage O couldn't agree on repair costs and because it meant she'd finally get a courtesy car. She didn't know there would be a further delay with that. Tesco later agreed that she should have been given a car on 20 December 2022, when garage S was instructed, in line with the policy. The file notes show that it tried to get a car for her at the time, but there was no availability, due to high demand, so that wasn't Tesco's fault. But I think it was reasonable for it to agree later that it would pay Miss E for loss of use from 14 December 2022, when she expected a garage to be instructed and a car to be provided.

Delay in collecting Miss E's car

The file notes show that garage O didn't co-operate with Tesco and its agents about handing over Miss E's car, but the major reason for that seems to have been that Tesco's agent tried to collect it before garage O's storage charges were paid. There's a note that says once Tesco's agent was authorised to pay the storage charges, garage O refused to say what they were. The issue was finally resolved on 19 January 2023, but the car wasn't collected or delivered until 2 February 2023. It isn't clear why not, but Tesco agreed to pay compensation to Miss E partly based on that.

I think if the storage charges had been paid promptly it's likely that the car would have been released sooner and the repairs could have started earlier. From what I've seen on the file, I

think Tesco and its agents could have handled the situation better and treated it with more urgency. But I also think garage O contributed to the delay. As Miss E had a courtesy car for part of the time (and Tesco has agreed to pay her for loss of use for a month) I don't think the impact on her was as bad as it otherwise might have been. But I think the situation was still inconvenient and stressful for her.

Contact with Miss E

I can see from the file that throughout the process Miss E made many calls to Tesco and its agents. The notes show that Tesco and its agents contacted Miss E quite often too, but on some occasions it seems she was left in the dark about what was happening and why. For example, she had to call Tesco a few times to try to find out where her car was, and she didn't get a satisfactory answer. On other occasions she was given inaccurate details - such as being given the wrong dates on which her car would be collected from garage O. Miss E says Tesco's advisors also argued with her in error about a few issues, such as whether she had comprehensive cover on her policy (although I haven't seen evidence of that on the file).

Miss E feels strongly that she was lied to by Tesco and its agents. Having reviewed all the file notes, I don't think there's evidence that advisors deliberately misled her, although it may have felt that way to Miss E. I think the issues became complicated partly because several agents were involved, and many advisors dealt with Miss E's queries. I think there was a fair amount of confusion between them all. But that doesn't excuse the poor communication.

Miss E has told us she was going through a particularly difficult time anyway, sadly suffering two bereavements whilst also coping with ongoing depression. I was very sorry to hear about Miss E's situation, and I can see that poor communication from Tesco would have caused her further distress, when that was the last thing she needed at the time.

In summary

I think Tesco provided poor service to Miss E, particularly in terms of its poor contact with her and the avoidable delay it caused during the process. There's no doubt that she faced inconvenience and upset as a result. But in my opinion, it would be reasonable for Tesco to pay Miss E £150 compensation for distress and inconvenience, plus £280 for loss of use, in order to resolve this complaint - as it has already agreed to do.

I know Miss E believes more compensation is merited, but I think the level of the distress she feels is the result of *all* the issues that arose during the whole claims handling process. In this decision, I haven't been able to consider the issues that have yet to be investigated by Tesco. I hope Miss E understands why my remit is limited. And she may be paid further compensation in due course, depending on the outcome of her new complaint.

My final decision

My final decision is that I uphold this complaint. I require Tesco Underwriting Limited to pay Miss E £150 compensation for distress and inconvenience. I also require it to pay her £280 for loss of use.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 26 August 2023.

Susan Ewins

Ombudsman