

The complaint

Mr N had a motor insurance policy with Tesco Underwriting Limited. He says after he reported an accident, it provided poor service and didn't assess liability properly.

What happened

Mr N told Tesco his car was stationary when he was shunted into the car in front by a car behind him. At the time, Tesco said he wasn't at fault for the accident. Eight months later Tesco told him the other two drivers had said he'd driven into the car in front *before* the car to his rear collided with Mr N's vehicle, so it was settling the claim made by the driver of the front car against Mr N. The driver of the rear car accepted liability for damaging Mr N's car.

Mr N complained to Tesco that the liability decision was taken without his knowledge and that its lack of contact with him for eight months was poor service on its part. Tesco accepted that Mr N should have been informed of progress and that he didn't get a promised call from a manager. It apologised for these issues, but it said its decision on liability wouldn't have changed, given that the other drivers' accounts indicated that he was at fault.

One of our investigators reviewed Mr N's complaint. She thought Tesco should pay £150 compensation for the distress and inconvenience he'd faced as a result of its poor service. But she thought it was reasonable for Tesco to have settled the claim for the damage to the front car against Mr N, given the details the other two drivers had given to their insurer.

Tesco accepted her view, but Mr N didn't. He said he hadn't been asked to complete an accident report form ('ARF') and hadn't seen the other drivers' ARFs. He also said the driver of the rear car had offered him £350 at the scene. In Mr N's opinion there was no evidence that he was at fault. He also said Tesco had increased his premium greatly at renewal and he queried his no claims discount ('NCD'). The investigator said the last two issues would have to be dealt with as a new complaint. Her view on the other issues remained the same, and 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.

Our role isn't to decide who was liable for an accident, but to look at whether an insurer acted reasonably in making its decision. I can see from the file that Tesco considered Mr N's version of events carefully, and it hasn't said his account isn't accurate. But it had to base its decision on the available evidence.

Tesco had doubts about the rear collision with Mr N's car, given that the driver of the car in front of his said she felt only *one* impact, which fits with Mr N's version of events. But it's not impossible for the rear car to have damaged Mr N's car without shunting it forward, which is what the driver of the rear car claims. Tesco had to consider his account, bearing in mind that neither he nor the driver of the front car had any reason to make a false statement. It didn't matter to the front car's driver whether Mr N's insurer or the rear driver's insurer paid

her claim. And the rear driver didn't deny causing damage to Mr N's car, so he knew he'd have a fault claim on his record, whether or not he accepted that he'd shunted Mr N's car.

I think Tesco acted reasonably in considering all the issues around the accident and in querying some of them. For example, it asked for the engineer's report on the damage to the rear car - but the other insurer said the driver hadn't made a claim, so there was no report to provide. Tesco's queries and its consideration of the issues delayed the claim's early settlement, so the insurer of the front car's driver threatened to start legal proceedings. Tesco then had to decide whether there was a reasonable prospect of defending Mr N's position in court. I think it was reasonable for it to decide that - without any independent evidence - the available information (two similar versions of events, and Mr N's conflicting version) meant that wasn't a viable option. But I can see why Mr N is so frustrated about the outcome, given that he's certain that his car was shunted into the car in front.

Mr N thinks it's significant that the driver in the rear car offered him money at the scene of the accident. But that offer only shows that the other driver accepted fault at the time and wanted to avoid an insurance claim. When the insurance process began, he still accepted fault for his actions. Mr N also thinks Tesco should have insisted on seeing ARFs from the other drivers and from him. I understand why he thinks that's a necessity in any claim, but insurers don't have to obtain ARFs if they don't think they're needed.

Mr N says he's suffered terrible stress as a result of Tesco's poor service, especially given his age. I can see why that's the case, and I sympathise greatly with him. I think Tesco should have contacted him much more than it did, and it should have explained its thinking to him earlier, so its decision didn't come as such a shock. In my opinion, Tesco's apology plus £150 compensation from it is sufficient to cover those poor service issues. I know Mr N is also upset about the liability decision, but as I don't think Tesco acted unreasonably in relation to that, I can't require it to pay further compensation. I think it's clear that Mr N's concerns about the increase in premium and his NCD notification have also caused him upset, but as these issues aren't part of this complaint, they'll be reviewed separately.

My final decision

My final decision is that I uphold this complaint in part. I require Tesco Underwriting Limited to pay Mr N £150 for distress and inconvenience. Under the Financial Ombudsman Service's rules, I must ask Mr N to accept or reject my decision before 23 October 2023.

Susan Ewins
Ombudsman