

The complaint

Mrs G complains Tesco Underwriting Limited (Tesco) did not keep her updated with progress of the repairs to her car and caused delays after she made a claim on her motor insurance policy.

There are several parties and representatives of Tesco involved throughout the complaint but for the purposes of this complaint I'm only going to refer to Tesco.

What happened

At the end of October 2022 Mrs G's car was stolen. It was recovered by the police in early November 2022.

Tesco recovered the car from the police, and it was taken to its approved storage contractor. The car was inspected on 21 November 2022 and minor damage was reported.

The car remained in storage until January 2023. It was found there had been an issue with allocation for the repairs and it was taken to an alternative approved repairer for the repairs to be completed.

Mrs G complained there was a lack of communication surrounding the repairs.

On 31 January 2023 Tesco acknowledged to Mrs G there were challenges with its repairers and suppliers on a national basis. This included ordering and delivery of parts required for repair and capacity for booking in repairs. It apologised for any delay caused. It said the car was now at an approved supplier being repaired and it was chasing an estimated date of completion.

As Mrs G was not happy with Tesco, she brought the complaint to our service.

Mrs G had her car returned on 9 February 2023.

Our investigator upheld the complaint. They looked into the case and said Tesco should pay compensation of £10 per day from 29 November 2022 to 9 February 2023 which was the time Mrs G was without her car after the repairs had been authorised.

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

What I provisionally decided

In this case I saw Mrs G's car was recovered from the police by Tesco and then inspected by an approved supplier for damage on 21 November 2022. Tesco received the report about the damage on 28 November 2022. This report detailed only minor damage to the bodywork, two alloy wheels and the dashboard surround. It did not put a cost to repair.

I saw evidence of Mrs G contacting Tesco a number of times between November 2022 and January 2023 for an update on what was happening with her car. I saw she was told a repair garage had been appointed on 9 December 2022 but after another call to Tesco on 5 January 2023 it said there had been an issue with allocation and made a change of repairer. Her car was finally collected by an authorised repairer on 11 January 2023.

I saw the authorised repairer submitted costs for repair on 16 January 2023 but Tesco failed to authorise this straight away and said it had a backlog. Mrs G finally got her car returned on 9 February 2023

Tesco said it was not aware the car could be economically repaired until the repair estimate was received and then authorised on 24 January 2023. Although I accept the final estimate was not received until this date, I think it is reasonable for Tesco to be confident it was repairable from the information provided in the initial report on 28 November 2022.

I think this because the car was of high value and the repairs were said as minor damage. The report also said if Tesco decided it would be salvage it would be classed as category N loss which means it doesn't have any structural damage and can be repaired and returned to a roadworthy condition.

I consider Tesco caused some avoidable delays in completing the repairs to Mrs G's car. And in addition to the stress caused to her, she was also without the use of her car during this time.

Tesco confirmed it did not offer Mrs G a courtesy car at any point. It said if it had been aware she needed a car then it would have looked to provide one or offered some sort of redress to cover any additional costs incurred as a result of not being kept mobile.

I looked at the terms and conditions of Mrs G's policy and on page 19 it says;

"Section D – Courtesy Car

What is covered

To keep you mobile, within the geographical limits only, we will offer you a small courtesy car (typically a small city car), while the car is being repaired by one of our approved repairers following an insured incident that has resulted in a claim under your policy.

Once we have decided that the car can be economically repaired by one of our approved repairers and if it cannot be driven, we will provide the courtesy car on the next working day for as long as the repairs take."

Therefore under the terms and conditions of the policy Tesco should have provided Mrs G a small courtesy car from the day after it was decided the car can be economically repaired. In this case, because of the reasons already explained, I think the date a car should have been offered was 28 November 2022 when Tesco obtained the initial report.

I am satisfied Tesco's actions resulted in Mrs G not having access to a car for the period after 28 November 2022, when it inspected the car and found only minor damage, and 9 February 2023 when Mrs G had her car returned.

Our approach is to consider compensation for loss of use where the consumer has been without a car because of the actions of their insurer. In this case a courtesy car should have been offered to Mrs G and it wasn't. And there were delays, acknowledged by Tesco, in allocating the car for the repairs to be completed.

We'd usually say the insurer should pay compensation for any reasonable transport expenses that the consumer incurred. In this case Mrs G said she didn't have access to another car. But she said she did not incur any costs.

However, I intend to uphold Mrs G's complaint. I think it reasonable that Tesco pay Mrs G a total of £350 in compensation due to the delays in completing the repairs to her car and due to the inconvenience of being without a car during this time.

Responses to my provisional decision

Mrs G responded to say she accepted the provisional decision.

Tesco responded to say it accepted the provisional 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.

As both Mrs G and Tesco accepted my provisional decision, I uphold Mrs G's complaint. I think it reasonable that Tesco pay Mrs G a total of £350 in compensation due to the delays in completing the repairs to her car and due to the inconvenience of being without a car during this time.

My final decision

For the reasons I have given I uphold this complaint.

I require Tesco Insurance Limited to pay Mrs G a total of £350 in compensation due to the delays in completing the repairs to her car and due to the inconvenience of being without a car during this time.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 29 August 2023.

Sally-Ann Harding
Ombudsman