

## **The complaint**

Mr and Mrs W have complained about Tesco Underwriting Limited. They aren't happy about the way it dealt with a claim under their motor insurance policy.

## **What happened**

I looked at this case and provided my initial thoughts in my provisional decision as follows;

*Mr and Mrs W had an accident in January 2022 and initially made a claim under their insurance policy with Tesco. But they didn't go through with the claim at that stage as they wanted liability settled before advancing the claim. The other side eventually admitted liability and the claim was advanced in August 2022.*

*However, the claim was delayed as Tesco didn't realise the wheels on the opposite side of the car had been damaged in the accident as the initial report only outlined damage to one side of the car. So, Mr and Mrs W complained to Tesco about this and the impact the delay in dealing with the claim had (the value of their car depreciated while they were trying to sell it amongst other things). Tesco acknowledged that it delayed the claim and offered £100 by way of compensation and £108 towards the cost of refurbishing a wheel that wasn't repaired properly. But Mr and Mrs W still weren't happy, as they felt they had lost around £1,000 as their car had devalued in the intervening period.*

*Our investigator looked into things for Mr and Mrs W but didn't uphold the complaint. At that point in time he didn't feel there was sufficient evidence to show that Mr and Mrs W received less when they sold their car because of the delay. And that its offer of compensation was fair in acknowledgement of the poor service and delay.*

*As Mr and Mrs W didn't agree the matter has been passed to me for review.*

## **What I've provisionally 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.*

*Having done so I'm presently minded to uphold the complaint but I want to give both sides the opportunity to comment before finalising my position.*

*I also think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.*

*It isn't disputed that Tesco didn't deal with Mr and Mrs W's claim in a timely manner and things were delayed because all the damage sustained in the accident wasn't repaired in the*

*first instance. And Tesco offered £100 compensation for this and it offered £108 in acknowledgement of the fact it didn't repair one of the alloy wheels that it should have done.*

*Since our investigator has considered the matter Mr W has provided details of the actual sale of their car in November 2022 (£20,444). And I can see Mr and Mrs W had two quotes to sell their car earlier in the year when the repairs should have been completed on their car in September 2022 (£20,861 and £21,270). So, it is clear that they received less money than they should have when they had already arranged to sell their car before Tesco delayed matters.*

*Given this it would seem fair for Tesco to put Mr and Mrs W back into the position they should have been but for the error (the delay in repair of their vehicle). I know Mr and Mrs W feel they should be paid £1,000. However, I can't be sure what they would have been paid in September 2022, so I've used the lower of the two September valuations and the amount they were paid in November 2022. And feel that the fair and reasonable thing to do is for Tesco to pay the difference (£417) in addition to the compensation it has already offered for the delay and poor service generally.*

## **Replies**

Mr W responded and explained a little further why he felt he was out of pocket by up to £1,000. He said that he had to pay two further finance agreement payments of around £300 which, when added to the difference in actual value, meant he'd lost about £1,000.

While Tesco responded to say it had nothing further to add.

## **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.

Having done so I remain of the view that the complaint should be upheld. I can understand the further points Mr W has raised but it doesn't affect my original thinking on this case. As he has highlighted he would always have had to pay any finance on his car until the point of sale. And, importantly, his finance package would have been reduced as contributions were being made as well so the final settlement would have been less. So, I won't be asking Tesco to pay anything more than the £417 already outlined.

Ultimately, I'm satisfied that it would be fair for Tesco to put Mr W back into the position he should have been but for its error (the delay in the repair of the vehicle). And pay Mr W £417 in addition to the £100 it has already offered in relation to the poor service and a contribution towards the wheel refurbishment costs that was already agreed.

## **My final decision**

It follows, for the reasons given above, that I uphold this complaint. I require Tesco Underwriting Limited to pay Mr W £417, £100 (total) compensation and the £108 wheel refurbishment contribution already agreed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 15 September 2023.

Colin Keegan  
**Ombudsman**