

The complaint

Mr S complains about the way Tesco Underwriting Limited (“Tesco”) handled a claim and decided liability under his car insurance policy.

What happened

Mr S had a car insurance policy with Tesco.

In February 2023 he was driving to a golf driving range. A third party was leaving the driving range at the same time.

Mr S reported a collision to Tesco. He said he wasn’t sure if he was going to make a claim for some damage to the offside of his car. He denied responsibility for the collision.

The third-party contacted Tesco and said Mr S had collided with their car. They alleged that Mr S turned right from the main road into the driving range and collided with the rear offside of their car. Tesco obtained some CCTV footage of the collision but this took some months to obtain due to a third-party access issue and some systems difficulties at Tesco.

Mr S then said there hadn’t been a collision. Tesco passed on his denial to the third-party’s insurer. The third-party insurer said it would pursue legal action against Mr S. Tesco agreed to settle the third-party’s claim.

Mr S complained. He is unhappy with a 36-minute hold time to make his claim and that Tesco decided he was at fault for the collision. He says Tesco’s decision means his No Claims Discount (NCD) has been affected. He wants Tesco to refuse the third-party claim and reinstate his NCD.

Tesco said Mr S’s NCD was protected, so his NCD hadn’t changed. He’d lost a ‘strike’ against it due to the collision being held as his fault. Tesco said Mr S’s version of events changed when the CCTV became available and it thought he wouldn’t make a credible witness if the case was taken to court. It didn’t think it had done anything wrong in deciding liability, but it apologised for the long call wait time.

Mr S brought his complaint to this service. Our investigator looked into it and didn’t think it would be upheld. She thought Tesco could have been better at updating Mr S on his claim, but for most of the time there wasn’t anything to update him with due to the delay getting the CCTV footage. She thought its apology for the 36-minute hold time was fair. But she thought Tesco had acted fairly in how it handled and decided liability for the collision.

Mr S didn’t agree with the view and asked that his complaint was reviewed by an ombudsman, so it has been passed to me to make a final 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.

I'm not upholding Mr S's complaint and I'll explain why.

When Mr S reported the claim to Tesco he told it that the other car was pulling out of the junction and caused a collision. He said his car had damage.

In later correspondence, Mr S denied that a collision took place.

This change in his statement meant that the third party was prepared to issue proceedings against Mr S, and therefore Tesco as his insurer. I've said above that Tesco would be concerned about Mr S's credibility given this substantial change in his description of the collision which seems to have happened when the CCTV footage was obtained.

It's not the role of this service to decide liability or apportion blame for a collision. But I've looked at the footage and I can see it doesn't agree with Mr S's version of events. The third-party car is stationary at the junction when Mr S turns in. Mr S has made further statements about what then took place, but given the inaccuracies I've been able to see from the footage I don't find his further assertions reliable.

Under Tesco's policy wording there is this section:

"General policy conditions

9.2 Dealing with claims under sections A to F

In dealing with any claim under the terms of this policy we may:

- Carry out the defence or settlement of any claim... "*

This type of wording is common in the insurance marketplace and I think its use is fair.

It allows Tesco to settle the claim as it sees fit, and I can see that is what Tesco has done here. As I've said above, the abrupt change in Mr S's version of events and the evidence available to Tesco means I think it has acted fairly in the way it's handled his claim and decided liability.

Mr S has mentioned the impact on his NCD in his approach to this service. Although I can't see that Tesco has responded to him as part of its final response, I can see it has responded about this matter in its correspondence with this service. So I think it's fair I mention this issue here.

Mr S had protected his NCD with Tesco. What that means is he's allowed a number of 'strikes' against his policy before his NCD is reduced. Tesco has confirmed that Mr S's NCD is unaffected by this claim.

I can also see Mr S is unhappy because his premium has increased, and I'd remind him that NCD doesn't protect his premium from changing. It applies to the discount he's entitled to. He's had a 'fault' claim and Tesco will re-assess his risk and change his underlying premium accordingly. I can't say Tesco has acted unfairly here.

From the file, I can see that Mr S spent 36 minutes on hold waiting for Tesco to answer his claim call when he made it, and he's disappointed by Tesco's claims service and lack of updates. An insurance claim is likely to be an interruption to life's normal course and brings with it a certain amount of disruption. But I agree with Mr S that a lengthy hold to make a claim isn't very good service from Tesco.

I've looked at the file of evidence and I can see Tesco didn't update Mr S about how his claim was progressing, which again I think isn't very good. But I can also see that it was waiting for the CCTV footage and there wasn't any progress with which to update Mr S.

I've thought about the impact of this on Mr S and considered this service's guidelines. Tesco has apologised and provided internal feedback about Mr S's claims journey, and I think this is sufficient.

So I don't uphold this complaint and I'm not going to ask Tesco to do anything more.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 February 2024.

Richard Sowden
Ombudsman