

The complaint

Mrs W has complained about the delays and poor service she received when she made a claim under her car insurance policy with Tesco Underwriting Limited.

What happened

In February 2023 Mrs W made a claim for damage to her car to her insurer, Tesco. Tesco said Mrs W's car was driveable.

In March 2023 Mrs W complained to Tesco about the delay in arranging repairs and lack of updates from Tesco. Mrs W said she received a call from Tesco on 13 March 2023 stating her car would be repaired within ten days. Mrs W contacted Tesco in June 2023 to raise a further complaint as she said she hadn't heard from it since 13 March 2023. She said she was moving abroad with her family in two weeks' time and her car needed to be returned to the lease company after repair.

In March 2023 Tesco said it explained there were delays with booking in repairs and a delay in obtaining parts nationally. It said it arranged for a local garage close to Mrs W's location.

Tesco said it wasn't aware of any further issues until Mrs W contacted it in June 2023 and said her car hadn't been repaired. As an alternative garage couldn't carry out repairs until July - and Mrs W advised then that she was moving abroad in June - it offered a cash settlement for the repairs. Arrangements to pay this direct to Mrs W's bank account was done on 15 June 2023.

Mrs W wanted Tesco to cover the costs of three months' lease payments as she said her car should have been returned to the lease company months ago. Tesco didn't agree. It said it isn't clear if Mrs W would have been liable for these costs in any event before moving and she had used her car during this time. Tesco said it was making further enquiries into the lease agreement.

Mrs W asked us to look at her complaint. She said she had to postpone her move abroad and wants Tesco to meet the financial costs of doing so.

Our Investigator recommended Mrs W's complaint should be upheld. But he didn't agree Tesco should be responsible for the costs Mrs W claimed for in a delay in her move due to having the car repaired before she went. He said this was because there was no evidence Mrs W had chased Tesco in April or May, but he agreed Tesco had caused a delay.

The Investigator recommended Tesco pay Mrs W compensation for the distress and inconvenience caused by its poor service and delay of £250.

Tesco didn't respond and Mrs W didn't agree.

I issued a provisional decision on 28 November 2023. I intended to uphold Mrs W's complaint.

Tesco accepted my provisional decision and has made a payment to Mrs W in line with my provisional requirements.

Mrs W accepted my provisional decision. So the case has been passed back to me for 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.

As both parties accepted my provisional decision, my final decision is on the same lines.

There's no dispute that Tesco caused an unreasonable delay. It's notes show it passed the instruction for repairs to be carried out to Mrs W's car to an approved repairer (AR) on 13 March 2023. It says the AR refused the job but failed to tell Tesco. As the AR is an agent of Tesco's, Tesco is therefore responsible for a delay.

Having said that, we also think it reasonable for a customer to mitigate their circumstances and there is no evidence Mrs W chased Tesco until 1 June 2023, when it was then made aware that Mrs W's car hadn't been booked in for repair as she hadn't been contacted by the AR.

So while I agree that Tesco has caused a delay, I can't reasonably say that it should meet all of the costs Mrs W is claiming for.

On 1 June 2023 Mrs W told Tesco that she and her family were moving abroad on 22 June 2023. She has provided evidence she paid for alternative accommodation from 22 June 2023 until 13 July 2023 when she travelled by plane abroad. As I've said, I think given the circumstances, I can't reasonably ask Tesco to meet all of Mrs W's claimed for costs due to the gap between March 2023 and June 2023. Tesco was only made aware of her pending move on 1 June 2023, three weeks before. Mrs W's car was driveable before repairs were undertaken, and although Mrs W continued to pay lease repayments during this time. I've no way of knowing from the information I've seen that this was only because the repairs hadn't been carried out.

In June 2023 Tesco offered for Mrs W's car to be booked in for repair with an AR, but said this wouldn't be possible until July/August time. So Tesco offered for Mrs W to arrange repairs at another garage (sooner) and to provide an invoice for Tesco to reimburse her.

Mrs W explained to Tesco that she was unable to pay for repairs and await reimbursement as all of her money was tied up with the move abroad. So she accepted a cash settlement equivalent to the costs of repairs and made arrangements with a garage.

Mrs W has provided evidence of hire car costs from 23 June 2023 to 12 July 2023 she says she paid while her car was being repaired. If Tesco had promptly dealt with the repairs to Mrs W's car by an AR, she would have been provided with a courtesy car as a provision under her car insurance policy. Given that Mrs W first registered her claim in February 2023,

I think Tesco should reimburse Mrs W for hire car costs for the duration of repairs.

Tesco didn't offer any compensation for the distress and inconvenience it caused, despite upholding Mrs W's complaint that it had caused avoidable delays in its handling of her claim.

I think it should pay compensation of £250 to reflect the inconvenience its delay caused.

My final decision

My final decision is that I uphold this complaint. I require Tesco Underwriting Limited to do the following:

- ☐ Reimburse Mrs W (subject to proof of payment and proof of duration of repairs) for hire car costs.
- ☐ Pay interest on the reimbursement at a rate of 8% simple interest a year from the date Mrs W paid to the date it reimburses her.

☐ Pay Mrs W £250 compensation for the distress and inconvenience caused.

Tesco Underwriting Limited must pay the compensation within 28 days of the date on which we tell it Mrs W accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Tesco has provided a copy letter dated 11 January 2024 addressed to Mrs W which states it has made a payment in line with the above requirements to Mrs W's bank account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 12 February 2024.

Geraldine Newbold
Ombudsman