

## **The complaint**

Mr T's representative complains on his behalf that Tesco Underwriting Limited (Tesco) unfairly declined to settle his claim on his motor insurance policy. They further complain about the poor customer service received.

References to Mr T or his representative, will include the other.

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**

Mr T made a claim on his motor insurance policy for damage to his car after driving through flood water during heavy rainfall.

Tesco's approved engineer inspected the car and found there to be no water damage.

Because Mr T's representative did not agree with the findings Tesco agreed to have the car inspected by a second engineer. In addition the car was inspected by the main dealer. No water damage was found.

Tesco declined to settle the claim. It said the issue with Mr T's car was not incident related.

Because Mr T's representative was not happy with Tesco, they brought the complaint to our service.

Our investigator did not uphold the complaint. They looked into the case and were satisfied Tesco's decision not to cover the claim was fair based on the information provided by three independent engineers. They appreciated that Mr T's representative felt Tesco was rude on the phone but after listening to the phone calls they were satisfied it did not communicate inappropriately.

As Mr T's representative is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## **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.

Mr T made his claim in June 2023. Based on the information provided about the car being in a flood, I saw that Tesco initially thought it was likely to be a total loss. It organised for one of its approved engineers to conduct a physical inspection of the car.

This inspection took place two weeks after the claim was made. I looked at the engineer's report and it says there were no signs of water damage inside or out. It confirmed the car engine starts and the engine runs and no dashboard warning lights were on. It said a main

dealer diagnosis was needed to read all fault codes to establish if there were any faults that can be attributed to water damage.

Mr T's representative did not agree with the findings and was not happy with the conduct of the engineer who had completed the inspection.

Tesco organised for an inspection at the main dealer. I saw this was arranged to take place on 4 August 2023, but due to Mr T being on holiday it was rearranged to take place on 22 August 2023 which was the day after his return from holiday.

This second inspection did not take place on the date arranged. Tesco then arranged for an alternative engineer to look at the car.

Mr T's representative asked about a courtesy car being provided and Tesco explained a courtesy car is only provided during the time authorised repairs take place. However as the inspection at the main dealer had been delayed, as a gesture of goodwill Tesco authorised a large courtesy car to be provided.

The inspection by Tesco's second approved engineer found a problem with the gearbox. It said this was related to a lack of service to the car. This inspection concluded there was no flood related damage.

Tesco again decided to take the car to the main dealer for a diagnostic. This took place on 20 September 2023. This inspection concluded there was no sign of flood damage. It said there was low fluid pressure in the gearbox and as there was no record of an oil change it suspected this was required.

Tesco declined to settle Mr T's claim for flood damage. It said the issue with the car was not incident related.

I acknowledge Mr T's representative provided a copy of an invoice for repairs undertaken on his car, but this does not confirm the repairs were due to water damage from a flood.

In this case because I have seen that three separate engineers concluded that the issues found with Mr T's car was not related to a water damage, I think Tesco was fair to decline Mr T's claim.

I considered the time-line of just over three months that was taken by Tesco to make its decision to decline Mr T's claim. Taking into account Mr T's holiday and as three separate inspections were completed I think this is a reasonable period of time. And in addition Tesco provided a courtesy car as a gesture of goodwill whilst he was waiting for the third inspection to take place.

Mr T's representative said Tesco told her the claim was authorised. I saw when the claim was initially made Tesco said that from the details of the damage provided by Mr T the car may be beyond economical repair. And whilst waiting for the car to be inspected it asked Mr T's representative if they would prefer the car to be classed as a total loss or to be repaired. So I can understand they may have thought the claim was being paid. However I have not seen any evidence Tesco said the claim had been authorised.

Therefore, although I understand Mr T will be disappointed, I don't uphold this complaint and do not require Tesco to do anything further in this case

**My final decision**

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 2 April 2024.

Sally-Ann Harding  
**Ombudsman**