

The complaint

Mr M is unhappy with the decision made by Tesco Underwriting Limited (TU Limited) following a claim made under his car insurance policy.

TU Limited is the underwriter of this policy. Part of this complaint concerns the actions of the agents involved in the claim. TU Limited has accepted it is accountable for the actions of agents involved in the claim. In my decision, unless otherwise stated, any reference to a company instructed during the claims process includes TU Limited.

What happened

Following an incident, Mr M made a claim on his car insurance policy. Mr M elected to have the repairs carried out by a garage of his own choice. Mr M contacted TU Limited asking for a courtesy car to be added to his policy. Mr M discussed the option of adding a courtesy car on a temporary basis. Mr M was initially told the maximum number of days for adding a courtesy car on a temporary basis would be 30 days. Mr M explained the repairs would take around 37 days. Mr M was told he wouldn't be able to add the courtesy car on a permanent basis as he didn't own the courtesy car.

Mr M complained to TU Limited about the response to his request to add a courtesy car. TU Limited considered Mr M's complaint but didn't uphold it. In its response TU Limited explained *'We can only cover a courtesy car on a temporary basis under your policy if the insurance provided by the garage either doesn't cover you or isn't suitable for your circumstances and you fall out with their acceptable criteria.'* Mr M was unhappy with this response, and brought his complaint to the Financial Ombudsman service.

In his complaint to this service Mr M explained *'Under my right to have the vehicle repaired at my choice of repairer, the vehicles repairs were estimated and approved by the dealer body shop. However the courtesy vehicle provided by them would have a £1,000 excess which I can't accept. Tesco declined to insure the courtesy vehicle for the duration of the repairs therefore effectively removing my ability to have the vehicle repaired at my choice of body shop.'*

The investigator reviewed the underwriting criteria provided by TU Limited, and found that TU Limited had acted reasonably in applying this when declining Mr M's request. Mr M disagreed with this, saying (amongst other things) *'I don't believe that suitability is a defined term, and secondly, the translation of any policy wording or phrasing must be found in favour of the consumer. I believe if you ask the general public if they think a car insurance policy with a £1,000 excess is suitably the vast majority would say it wasn't.'* As the complaint couldn't be resolved it has been passed to me for 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'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and

considered everything that's been provided. I've focused my comments on what I think is relevant. If I haven't commented on any specific point it's because I don't believe it has affected what I think is the right outcome.

TU Limited has provided me with confidential business sensitive information to explain when it can provide cover for a courtesy car, and for a leased vehicle. I'm afraid I can't share this evidence, but rest assured I've checked it carefully. I've seen that TU Limited did refer to part of this criteria in its final response to Mr M.

Mr M feels strongly that the policy excess of £1,000 for the insurance discussed with the garage makes the insurance unsuitable for him. Because of this, Mr M says he meets the policy criteria of the insurance provided by the garage not being suitable, and so TU Limited should offer insurance to cover a courtesy car on a temporary basis.

TU Limited say it hasn't been provided with any evidence to suggest that the insurance offered by the garage wasn't suitable. TU Limited doesn't agree that the cost of an excess reasonably falls within the definition of insurance not being suitable for a customer. TU Limited has given examples of suitability that would fall outside of an insurer's acceptable criteria including age, claims history, or convictions.

I've seen that the main point of dispute in this complaint is TU Limited's interpretation and application of the term '*suitable*'. I've considered whether TU Limited has acted fairly and reasonably in applying the policy criteria for providing temporary cover for a courtesy car. And I am persuaded it has.

I say this because the suitability of a policy would materially impact the likelihood of a policy paying out in the event of a claim. Whereas the policy excess wouldn't determine the outcome of a claim itself. Instead it would be part of the many factors being considered when deciding whether to take out insurance. I think that distinction is important here. Because Mr M could've still taken out a policy through the garage with a £1,000 excess. I haven't seen any evidence to say that the policy offered through the garage would've been unsuitable for Mr M's circumstances, and importantly, impacted his ability to make a successful claim.

Mr M has also expressed disappointment with TU Limited's decision not to make a permanent change on his policy to allow for the courtesy car to be covered. Mr M says '*I have [an] insurable interest in any vehicle I own, lease or hire, therefore there is no reason why my existing vehicle could not have been removed from cover and the courtesy/hire vehicle added.*' I've carefully considered Mr M's comments. I've seen that leased vehicles would only be accepted in limited circumstances. And Mr M didn't meet the criteria to qualify in making this permanent change to his policy. So, although frustrating for Mr M, I'm satisfied TU Limited has acted fairly, and in line with the policy criteria in its decision not to offer cover for Mr M's courtesy car on a permanent basis.

I appreciate Mr M's disappointment with this outcome. This situation has clearly left Mr M feeling stressed, and financially out of pocket. But I haven't seen any evidence to persuade me that TU Limited's actions were wrong, or outside of the policy criteria. So I won't be asking TU Limited to take any further action in settlement of Mr M's claim.

My final decision

I do not uphold this complaint for the reasons I've explained.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 May 2024.

Neeta Karelia
Ombudsman