

## **The complaint**

Mr J is unhappy with how Tesco Underwriting Limited has handled a claim on his motor insurance policy.

## **What happened**

Mr J held a motor insurance policy underwritten by Tesco.

In August 2023, Mr J's car was parked outside when a third party collided with it and left the scene. Mr J made a claim to Tesco. He provided the third party's registration number, details of witnesses and he found CCTV cameras that may have captured the incident. Tesco began dealing with the claim and pursued the third-party insurer.

But, by the end of October, Mr J became unhappy with how long his claim was taking and the service he'd been given, so he complained. He felt he'd had to do a lot of work for his claim, and he had to call Tesco often for updates. He was worried the claim wouldn't be resolved by the time he had to renew in February.

Tesco upheld Mr J's complaint in part. It thought the claim was progressing well because it had repaired Mr J's car, provided alternative transport, waived his policy excess, and obtained a witness statement. Tesco said it was treating the claim as non-fault and was pursuing the third-party insurer as best it could, but it couldn't guarantee the claim would be resolved in time for Mr J's renewal. It admitted it contacted the wrong local authority to obtain the CCTV footage, and it admitted it could have called Mr J more often to keep him updated. Tesco apologised for this.

Unhappy with Tesco's response, Mr J referred his complaint to the Financial Ombudsman.

Our investigator looked into the complaint. She thought Tesco had shown that it was actively progressing the claim and it shouldn't be held responsible for the length of time it was taking the third-party insurer to respond. But she thought Tesco should have been more proactive in keeping Mr J updated and shouldn't have contacted the wrong local authority. She recommended Tesco pay Mr J £100 to recognise this.

Tesco accepted this. Mr J didn't agree. He said his no-claims discount had been reduced and his renewal premiums had more than doubled due to the ongoing claim.

Because Mr J didn't agree, his complaint has been passed to me to decide.

## **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.

First, I want to recognise the impact this complaint has had on Mr J. I understand he feels strongly about the way Tesco has handled his claim and he feels financially penalised

because it's affected his renewal. I know this complaint is important to him and I've considered the points he's raised.

I also thought it would be helpful to provide some clarity about the Financial Ombudsman Service's role and the scope of the complaint that I'm deciding. Our role is to resolve disputes between complainants and financial businesses, to help both parties move on. It isn't our role to handle a claim or to deal with matters as they arise.

Tesco has provided us with copies of correspondence and its claim notes up until 31 January 2024, so I've only considered what's happened up until then. If Mr J has concerns about the service he's received from Tesco since then, we may be able to consider these as a separate complaint once Tesco has had the opportunity to address them.

Having considered the available evidence, I'm upholding the complaint for broadly the same reasons as our investigator. 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's affected what I think is the right outcome.

Insurers have a duty to handle claims promptly and fairly. So, I've considered whether Tesco has taken reasonable steps to progress Mr J's claim promptly and whether it has treated him fairly in doing so.

I've reviewed Tesco's claim records to understand how the claim progressed. Having done so, I'm satisfied Tesco has taken reasonable steps to try to settle with the third-party insurer – and has attempted to do so in Mr J's favour. I say this because I can see Tesco put its allegations to the third-party insurer shortly after it was notified of the incident, and it has sent several letters and chasers since. Tesco also followed up on the witness details Mr J provided, obtained their statement and sent this to the third-party insurer. It also sent details of the costs it was looking to recover – like its hire and repair costs. I think these things were dealt with promptly overall and I can't hold Tesco responsible for how long the third-party insurer took to respond.

I can see Tesco has noted that the third-party insurer has said it accepts liability, but Tesco would still need to recover its costs before the claim could be considered settled.

I'm sorry to see this wasn't resolved in time for Mr J's renewal. I know this has been stressful for him, and expensive given it has affected his no-claims discount and his renewal premium. I should explain that it's standard industry practice for motor insurance claims to remain open until they've been settled. But Mr J may wish to speak to Tesco about reissuing his no-claims discount certificate once the claim is settled. And he may wish to speak to Tesco and his new insurer (if different) to discuss recalculating his premiums to reflect the settled claim if that's appropriate.

In terms of whether Tesco has handled Mr J's claim fairly, I can see Tesco admitted it could have provided better service, and I think that's right. Tesco said it could have done more to keep Mr J updated and should have called him more often. I've reviewed the claim records, and I can see most conversations were started by Mr J and not by Tesco. Tesco says it provided updates when Mr J called, which, from the notes, I think it did. But I agree that Tesco could have been more proactive in keeping Mr J updated. I think this was inconvenient and frustrating for Mr J considering the stress of his ongoing claim.

Tesco also admitted it contacted the wrong local authority so lost the chance to obtain CCTV footage. Tesco has pointed out that this probably wouldn't have made a difference because of the position of the CCTV camera. Tesco has also said it had the witness statement to support its position. I'm not persuaded that the failure to obtain the CCTV footage caused a

delay to the claim and considering Tesco has noted that the third-party insurer has admitted liability, I don't think it's likely it affected the outcome. But I think Mr J worked hard to support Tesco with his claim, including informing it of the CCTV footage, so I think it would have been frustrating for Mr J to learn that his efforts weren't followed up by Tesco. I appreciate Tesco apologised for this, but I agree with our investigator that it should pay compensation.

Our investigator recommended Tesco pay £100. I think this is a fair amount. I say this because it falls in line with our service's approach and is in line with what I would've directed Tesco to pay, had it not already been put forward. So, this is what I require Tesco to pay.

I know this isn't the outcome Mr J was hoping for. But I'm satisfied Tesco progressed his claim promptly. And I think the compensation I'm awarding fairly recognises the failings that I've found and the impact these had on Mr J.

### **Putting things right**

To resolve this complaint, I require Tesco to pay Mr J £100 compensation if it hasn't already done so.

### **My final decision**

My final decision is that I uphold this complaint. I direct Tesco Underwriting Limited to pay compensation as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 25 April 2024.

Chris Woolaway  
**Ombudsman**