

## **The complaint**

Mr Y has complained about the service he received from Tesco Underwriting Limited when his motor insurance was due for renewal.

## **What happened**

The background to this dispute is well known to the parties, so I won't repeat it in detail here. In summary Mr Y received an invitation to renew his motor insurance policy in September 2023. Some days later he called to change the vehicle on his policy. He received a revised renewal invitation for over £300 more than the first invitation. Mr Y notified Tesco that he had decided to let the policy lapse as it wasn't competitive.

Mr Y then contacted Tesco to say that he had sourced a cheaper Tesco policy online and wanted Tesco to price match. Tesco didn't agree to do so as the policy had lapsed.

Tesco also said that there was no direct comparison between the renewal premium it offered and the one Mr Y sourced online.

Unhappy, Mr Y referred his complaint here.

Our investigator didn't find that Tesco had done anything wrong. They didn't recommend that the complaint be upheld.

Mr Y appealed. He disputed that the policy had lapsed when he called Tesco. He also didn't agree that any of the points raised regarding the differences in premiums justified the premium differential.

As no agreement has been reached the matter was passed to me to determine.

## **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 aware I've summarised the background to this complaint - no discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I've fully reviewed the file and considered the representations Mr Y made after our investigator's assessment. For the following reasons I agree with the conclusion reached by our investigator:

- In deciding what's fair and reasonable, I am required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time. Importantly here relevant regulator's rules say that financial firms must enable and support retail customers to pursue their financial objectives and must avoid

causing them foreseeable harm. So I've looked carefully at all the circumstances to see if Tesco treated Mr Y fairly.

- The renewal invitation for Mr Y's insurance policy was issued on 9 September 2023. This said that the car insurance *'will end on 6<sup>th</sup> October 2023'*. It also made clear that Mr Y would need to renew his policy before 6 October 2023 and that if no action was taken before that date the policy would end. Mr Y was unhappy with the renewal quote and advised Tesco on 4 October 2023 that he didn't want to renew. Following this he was sent a confirmation letter saying 'We're really sorry you're leaving... We're sorry to hear you've chosen not to renew your Tesco Car Insurance Cover'. The letter confirmed the policy expiry date was 6 October 2023. I'm satisfied that Tesco acted in accordance with Mr Y's instruction and that the documentation was clear and not misleading.
- Having found a cheaper policy online through Tesco, Mr Y called to enquire about the online price. Mr Y has said that his old policy ended at 23.59 on 23 October and the new one began at 00:00 on 24 October. I haven't seen any documentary evidence in support of this, and it is at odds with the documents I have referred to. When asked for evidence in support of this Mr Y said, not unreasonably, that it was so long ago it was difficult to remember the dates. But he said that he was advised prior to renewal that a price match wouldn't be done. He felt this should be on Tesco's call log. The evidence from Tesco shows that Mr Y called at 11.21 on 6 October. I've listened to that call and Mr Y has been sent a copy. I am satisfied on the evidence before me that the call made by Mr Y requesting a price match was made when the policy had already lapsed, according to his instruction which had been confirmed in writing.
- In these circumstances I don't find that it was unreasonable for the adviser to explain to Mr Y that the policy had lapsed on the system and couldn't be reinstated. He said that Mr Y had put a stop on it – to which Mr Y responded it was because of the price. The adviser accepted this and said that Mr Y could accept a new quote – but he'd need to set up a new policy online. Mr Y didn't feel this was customer friendly. I do understand that it would have been helpful if Mr Y details could have been transferred across. But Mr Y wasn't prevented from taking a new policy with Tesco and the adviser explained that details of his no claims discount could be married up from a previous policy. I don't find this to be unreasonable.
- I haven't disregarded Mr Y's submission that he feels Tesco could have done more to help him. But I'm not persuaded that that Mr Y was treated unfairly in terms of the renewal quote. This is because Tesco has shown that the details inputted to generate the new quote were different in a number of ways. These included mileage, occupations, addition of protected NCD, market value, purchase date, SP30 discrepancy and vehicle use. It is not the role of this service to tell an insurer how to price its policies or what factors it should consider when calculating a risk. But it reasonably follows that when these rating factors were taken into account a different premium would be generated. This would apply to anyone applying for a policy, so I don't find Mr Y was singled out or treated unfairly. For completeness I would add that I'm satisfied from the documentation that the renewal quote was for a comprehensive policy – so in this regard the same as his online quote. But I note that the renewal price offered has been specifically dealt with in another complaint, so I won't comment further here.
- Mr Y has told us that he felt extremely vulnerable and confused, disappointed, let down and extremely anxious. I am sorry to read this was so. But in all the

circumstances I don't find that Tesco Underwriting Limited acted contrary to regulations or treated him unreasonably or unfairly.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 11 June 2024.

Lindsey Woloski  
**Ombudsman**