

## **The complaint**

Miss S has complained that Tesco Underwriting Limited has unreasonably delayed in coming to any decision on her claim under her motor policy concerning her stolen car.

## **What happened**

Miss S' recently purchased car was stolen on 8 August 2023. She made a claim to Tesco who proceeded to validate her claim. This included ensuring the car was appropriately purchased and indeed verifying the evidence surrounding the theft.

Tesco had issues with the fact Miss S said she used cash she had saved to buy her car and also obtained a loan from her brother, apparently also in cash. It also had problems that Miss S had owned a previous car which had never been insured and the proceeds of that car were part of the funds to buy this car.

Tesco sent out investigators to interview Miss S several times and also interview her brother. It asked Miss S for both keys to her car. Miss S said she had two keys one a proper make and model key (the main key) which she handed over to the investigators and another which was a more generic key as in not sold with the vehicle when it was first made, which she was reluctant to hand over in case her car was found. It's clear at this stage the relationship between Miss S, and Tesco was getting strained.

Tesco decided, on the basis that it couldn't interrogate both keys and remained having some issues with the evidence it had obtained, that it couldn't come to any conclusion on Miss S claim.

Miss S then brought her complaint to us. The investigator was of the view that it should be upheld. She thought Tesco now needed to make a decision on the claim. And given it had unreasonably delayed it should also pay Miss S the sum of £150 compensation. Tesco disagreed so Miss S' 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.

Having done so, I'm upholding this complaint along the same lines as the investigator. Insurers clearly have a duty under ICOBs 8.1.1 to handle claims promptly and fairly. That means that even if parts of the required evidence might not be fully explained or available and it appears likely that can't be improved on, a claims decision must be made one way or the other. It's not reasonable to simply fail to decide whether the claim is accepted or not leaving the policyholder in a continual limbo situation.

From my reading of this case Tesco has extensively interviewed Miss S and her brother who have explained their reliance on cash transactions. Cash transactions although now used

more rarely still remains a legitimate and legal method of doing business. Furthermore, again, although it's now rare presently, people can and still do retain cash in their homes too. Both Miss S and her brother have given information concerning the cash transactions they have made pertaining to the funding of the purchase of this car by Miss S, and Tesco now needs to come to its decision on that.

Likewise, if Miss S wants her claim dealt with, the policy demands *"Anyone who makes a claim under this policy must give us any reasonable information we ask for that is relevant to your claim."*

There does remain the issue of a key which Miss S appears to have retained which also doesn't appear to be the main key of the stolen car, which Tesco would also like to examine. It might help Miss S if I explain how motor policies work as regards claims about stolen cars. When you make a claim to an insurer for a stolen car, which hasn't been found as Miss S' car hasn't been found (cars like hers are invariably stolen to order to be shipped out of the country too) if the insurer then pays out the market value of the car, in the unlikely event the car is subsequently found, the car remains in the ownership of the insurer given they have paid out the value to the policyholder. So, in reality there is no benefit to Miss S retaining the key as it's highly unlikely now given the extensive passage of time that her car will be found. Nonetheless Tesco can still make up its mind whether to accept or not Miss S' claim without this second key too as ICOBs demands it does.

I'm not allowed to tell Tesco what decision on Miss S' claim it should make now, but I do consider it should do so. It remains the case that if Miss S disagrees with the decision Tesco finally makes, it remains open to her to bring a new complaint on the reasons why. Which if Tesco doesn't resolve for her, she can then bring that complaint back to this service if she wants.

I consider Tesco's delay has caused Miss S distress and upset. I agree with the investigator compensation is payable here. I also consider the amount she suggested of £150 to be appropriate and in line with our approach which means I consider it fair and reasonable.

### **My final decision**

So, for these reasons, it's my final decision that I uphold this complaint.

I now require Tesco Underwriting Limited to do the following:

- Come to a decision on Miss S' claim.
- Pay her £150 compensation for its delay in doing so to date.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 28 June 2024.

Rona Doyle  
**Ombudsman**