

The complaint

Mr M and Mrs W have complained about the way their motor insurer, Tesco Underwriting Limited ('Tesco'), dealt with a claim they made on their policy.

Tesco is the underwriter of this policy i.e. the insurer. During the claim Mr M and Mrs W also dealt with other businesses who act as Tesco's agents. As Tesco has accepted it is accountable for the actions of its agents, in my decision, any reference to Tesco includes the actions of the agents.

Though the complaint was brought to us by both Mr M and Mrs W, we've mainly been liaising with Mr M. Therefore, I've referred mainly to Mr M throughout the decision.

What happened

In October 2023 Mr M was involved in a road traffic accident where his car was damaged. He made a claim on his motor insurance policy.

The car was collected a week or so after the accident, and towards the end of December 2023 Mr M was notified that the repairs had been completed and that the car was ready to collect. As he was away at the time, he didn't pick it up until January 2024. When he went to collect the car Mr M said that he didn't think the repairs were adequate and said that there were gaps between the panels. He was, therefore, concerned that the car wasn't structurally sound. The car was taken back for further repairs which were completed at the end of January 2024. Mr M was still concerned about the quality of the repairs and said he wanted the car to be inspected independently. He refused to take the car back in the meantime.

Mr M complained to Tesco in December 2023 about the quality of the repairs and refused to take the car back and wanted it written off. He also said there was a delay in him being provided with a courtesy car.

Tesco responded to Mr M's complaint in February 2024. It upheld it in part and offered Mr M £70 with regards to the delay in providing him with a courtesy car. In relation to the repairs, it said that its engineers reviewed the matter and said that there was no structural damage to the car. It added that the car should be collected as soon as possible as the garage was going to start charging for storage.

Mr M brought his complaint to us around the same time as Tesco's final response and said he wanted someone independent to inspect the car. While the file was with us Tesco said it was arranging an independent inspection.

Mr M said he had been contacted about the further inspection. He said he had been driving his car since he collected it but still had safety concerns. He added that he had been

provided with a hire car from a separate company, but this was returned on 12 December 2023.

The complaint was reviewed by one of our investigators who asked for further information regarding Mr M's losses. Mr M said that he had to take trains and taxis whilst being without a car which cost him about £400. He also said that Mrs W, who is a named driver, missed work and ended up booking accommodation closer to her work which cost £1,200 overall. He said they also had to cancel holiday plans. Mr M added that while the claim was ongoing, he was in constant communication with Tesco which meant that a number of their conversations took place while he was at work. He said those conversations were very stressful and he believes they led to his employment being terminated.

Our investigator reviewed the complaint and thought it should be upheld and that Tesco should increase its compensation to £300. Our investigator said that on the evidence he'd seen, Mr M had a courtesy car between 1 November and 27 December 2023 but not between 12 and 29 January 2024 when the second set of repairs was being carried out. So, there was an initial two-three day delay in the courtesy car being provided and then a further 17 days when one should have been provided.

Our investigator added that Mr M said he'd incurred various expenses while he was without a car but didn't provide any evidence to show these expenses had been incurred or that they were over and above what Mr M would have normally spent. And he also hadn't seen any evidence that Tesco's actions caused Mr M to lose his job. The same applied to the losses Mrs W said she'd incurred. He also didn't think Tesco was responsible for the cancelled holiday. Nevertheless, our investigator said that Tesco should increase its compensation offer to £300 for the distress and inconvenience it caused Mr M and Mrs W by not providing them with a courtesy car and for the likely impact this would have had on them travelling around and enjoying the holidays.

In relation to the repairs our investigator didn't think that there were any delays and also thought that the decision to take the car back for further repairs after Mr M raised concerns was fair and reasonable. He added that based on the available expert evidence, the repairs were carried out to an appropriate standard. He also thought it was fair and reasonable that an independent inspection had been arranged since.

Tesco agreed with our investigator but Mr M and Mrs W didn't and asked for an ombudsman's decision. Mr M said he could provide further information in relation to the loss of his job.

In the meantime, Mr M said that Tesco had assessed his car and he was waiting for the report. He also said that he was unhappy as Tesco informed him that the third party was disputing liability. Our investigator said as these were new issues, raised after the initial complaint, they would have to be part of a separate complaint.

The matter was then passed to me to decide. A few months have now passed since Mr M said he could provide further evidence in relation to his losses and as no such evidence has been provided to date I decided to proceed with my 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.

Mr M and Mrs W's policy includes cover for damage to their car caused by accidental damage. The policy also provides for a small courtesy car while the car is being repaired by one of Tesco's approved repairers following an insured incident that resulted in a claim under the policy.

The repairs

Mr M said that his main complaint was to do with the quality of the repairs. He initially raised concerns about this around the middle of December 2023 and then again when he went to collect the car in January 2024. As a result, the car was kept in for further repairs and those were completed at the end of January 2024. I thought it was fair and reasonable that Tesco arranged for the car to be looked at again. But I also think that this indicates that Mr M's initial concerns were valid.

Mr M raised concerns again after he collected the car and said he wanted the car to be inspected by an independent engineer. Tesco said it checked with its engineers as well as with the approved repairers and they both felt the car had been properly repaired. This is the only expert evidence available and so I think Tesco was acting fairly and reasonably when it told Mr M that the car had been repaired to standard and that there was no discernible structural damage present. I note that since Mr M brought his complaint to us Tesco arranged for an independent inspection to be carried out. I think this was fair and reasonable and also the resolution that Mr M had asked for when he brought his complaint to us.

The independent inspection has been completed and Mr M said he was awaiting the engineer's report. As this happened after Mr M brought his complaint to us this wouldn't be something we could consider in this decision but, as our investigator said, it would have to be considered as a separate complaint. So, if Mr M and Mrs W are unhappy with the report, they are free to raise a new complaint with Tesco which they can then bring to our service.

The courtesy car

Mr M said that there was a delay in the courtesy car being provided. Our investigator said there was an initial three-day delay. Mr M also said that the courtesy car was taken away before the initial repairs were completed on 27 December 2023. He said the courtesy car was taken away on 12 December 2023. Tesco said a replacement car was provided between 1 November and 27 December 2023 when the repairs were completed.

From what I have seen, there is a note from a conversation with Mr M in February 2024 where Mr M said the courtesy car was only provided until 12 December 2023. But there are no notes about this before that date. The courtesy car being taken back early is something I would have expected Mr M to have mentioned to Tesco at the time, as he was having several conversations with it while the repairs were being undertaken. So, I agree with our investigator that, it's more likely than not, that a replacement car was provided until 27 December 2023.

The car was ready to be collected on 27 December 2023, but Mr M wasn't able to collect it until 12 January 2024 due to being on holiday and also due to being ill. Bearing in mind that the car was seemingly ready to be collected I don't think Tesco was under any obligation to provide a replacement car over this period.

The car was again ready for collection on 29 January 2024 though I have seen notes where Mr M complained on 22 January 2024 saying the garage already wanted to charge him storage fees. So the car may have been ready earlier. In any event, I think it would have been fair and reasonable for Tesco to have provided another replacement car while Mr M's was in for repairs over this period. It doesn't seem this was the case, and I don't think this was fair and reasonable. I think this would have caused Mr M distress and inconvenience and also added to what was already a stressful situation.

Other losses

Mr M said he spent £400 on taxis and trains while he was without a car. He also said that Mrs W had to cancel work on certain occasions due to train strikes and also had to book accommodation closer to her work for almost three months which cost around £1,200. And they also had to cancel a Christmas holiday.

Our investigator explained that these are not losses that are covered by the policy but we could make an award towards them if we felt that the insurer's actions caused these losses and that it's fair and reasonable to do so. But we would expect to be provided with evidence in support of these losses being necessary as well as reasonably incurred. We'd also have to be satisfied that, on the balance of probabilities, these losses were the direct result of the insurer's actions or failures.

As I said above, I thought a courtesy car should have been but was not provided between 12 and 29 January 2023. And I also noted an initial three-day delay in the courtesy car being provided in November 2023. This is a period of 20 days overall. Some of the losses claimed are for a period of three months, which is longer than what I think Tesco is responsible for.

I also haven't been provided with any evidence in support of these expenses to show that they were incurred in the first place and also that they were necessary. And without this evidence, it wouldn't be fair or reasonable for me to ask Tesco to pay compensation towards them. And as I said above, I'd have to be persuaded that they were reasonably incurred and that Mr M and Mrs W had tried their best to mitigate or minimise those losses.

I also mentioned that, on balance, these losses would have to have resulted from Tesco's actions. Mr M said he lost his job due to having to take several calls about his car whilst he was at work. He said some of those conversations were stressful and frustrating and that this impacted his ability to perform his job as well as the impression he gave to his seniors. He said this was also something he mentioned in his final interview.

I appreciate Mr M feels that Tesco's handling of the claim led to him becoming stressed and frustrated which in turn affected his job. I agree that Tesco did have some failures which will have caused Mr M a certain degree of distress and inconvenience. But I don't think I can hold Tesco responsible for Mr M losing his job and I don't think this is a loss that was reasonably foreseeable. In addition, I would have to see evidence that Tesco's actions were

the sole reason why Mr M unfortunately lost his job, which is something I haven't been provided with. And, in any event, I don't think it would be fair or reasonable for me to hold Tesco responsible for Mr M's former employers' reaction to those calls and their decision to terminate his employment because of them.

Having said the above, I recognise as did our investigator, that Tesco hasn't always provided a great service to Mr M and Mrs W and that this would have caused them a certain degree of distress and inconvenience. As I said above, I think the fact that the car was kept in for further repairs after the initial repair period was an indication that perhaps it wasn't ready when the garage said it was. And there was also a period where Mr M was left without a courtesy car when he should have had one. I see Tesco has already agreed to increase its compensation award to £300 and I think this is fair and reasonable.

My final decision

For the reasons above I have decided to uphold this complaint and ask Tesco Underwriting Limited to pay Mr M and Mrs W £300 compensation in total for the distress and inconvenience it caused them.

Tesco Underwriting Limited must pay the compensation within 28 days of the date on which we tell it Mr M and Mrs W accept my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

If Tesco Underwriting Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M and Mrs W how much it's taken off. It should also give Mr M and Mrs W a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs W to accept or reject my decision before 29 November 2024.

Anastasia Serdari
Ombudsman