

The complaint

Mr W has complained about the way Tesco Underwriting Limited dealt with his claim under his motor policy following damage caused by vandals.

What happened

Mr W bought a much-coveted car and insured it with Tesco. On 9 March 2024, someone smashed the side windows in a possible attempt to steal it. Mr W discovered this about an hour later. He called the police and reported the matter to Tesco. Tesco said they would arrange a well-known vehicle recovery service to collect it. I shall call that recovery service R.

When Mr W was waiting, he covered the broken windows in black plastic bags to protect the interior from getting wet. The recovery driver took photos of the car and assured Mr W his car would be coherently protected from the elements. Mr W said this never happened and his car was out in the rain and the interior got wet and damaged. His car wasn't taken to the repairing garage until 13 March 2024.

Mr W was also told by Tesco to register with its claims handing company which I shall call F. He said he tried to speak to F about this delay but got told to phone R instead. Then F wrongly told him to raise a second claim for the water damage, which sadly delayed the whole process.

So, Mr W complained. Tesco partially upheld his complaint and paid him £300 compensation. Once Mr W brought his complaint to us, Tesco then confirmed it would only deal with the damage as one claim, and it would increase the compensation to £500 and arrange a post repair inspection agreeing to any recommendations of that relating to the initial breaking of the windows or the water damage from incorrectly storing Mr W's car.

Mr W didn't accept this and asked the investigator to investigate his case fully. The investigator was of the view that additionally Tesco should refund the remaining part of the warranty Mr W bought for his car which he now can no longer use. She also felt Tesco shouldn't record the costs of the water damage part of the claim on the Claims and Underwriting Exchange (CUE) as that might affect Mr W's premium going forward.

Mr W didn't agree as now he was left without any warranty at all. More so given he has a five-year loan to repay for the car. He also had concerns over the post repair inspection as he had talked to a main dealer who said there would be no point doing a visual inspection, so in effect the interior of the car would have to be stripped to allow for a proper and detailed inspection. Further there would be no guarantees there would be no future issues caused by the water damage.

Tesco responded that it was happy to pay £500 compensation and refund the unused warranty costs, along with arranging the post repair inspection. But it didn't agree it should omit any repair costs from CUE. It didn't think it would have any bearing on further premium amounts as it as an insurer didn't take note of the costs of any claims, just that the claim

happened and whether it was fault or non-fault. This claim would be classed as a fault claim since it originated from the vandalism damage.

So, on that basis Mr W's claim 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.

There's no doubt in my view that Mr W has endured quite a significant experience just because two side windows in his car was mindlessly smashed in by vandals. The water damage to his car simply should not have occurred. His car, once picked up by the recovery agent R as instructed by Tesco ought to have been stored safely and under cover. And neither should Tesco have had Mr W ending up running in circles in trying to deal with R and F over this when Tesco was his insurer and had instructed both F and R respectively. It was wrong any Tesco operative told Mr W to contact either R or F over the consequences of this badly handled recovery of his car by Tesco. Neither should Mr W have been told to raise a second claim for the water damage. Considering its Consumer Duties Tesco should have done more to support Mr W here.

Whilst the water damage was caused by Tesco's negligence in organising the recovery of Mr W's car, the smashing of the windows had nothing to do with Tesco and it's useful to remember that Tesco had nothing to do with why his car needed to be recovered to be repaired.

It appears Mr W's car is now repaired both for the smashed side windows damage and the subsequent water damage. I've seen no details of what was repaired. But I would assume these repairs have the appropriate guarantee or warranty too, given it appears its own approved repairers completed the repairs. Tesco needs to explain the guarantee or warranty to Mr W.

I also consider it's reasonable for Tesco to arrange a post repair inspection. However, the entity dealing with the post repair inspection should be independent and Tesco should bear the costs of it. Tesco will have the details of what has been repaired which will further enhance the quality of the post repair inspection. I'm not persuaded by what Mr W was told by a main dealer in that the car would need total stripping down as there will be details of what was repaired to aid the interrogation of the inspection. Mr W can then raise the further issues he's experienced namely that the car turned off its alarm and spontaneously unlocked itself and the warnings about the battery being low which may or may not be connected to the water damage or the repairs. If any of these issues are connected to the water damage, I'd expect Tesco to pay for the subsequent repairs too as it's indicated.

I do consider the compensation payment of £500 to be reasonable. It's in line with our approach as more fully detailed on our website. I appreciate and understand how dreadfully upsetting this was for Mr W, but care needs to be had to ensure the compensation level isn't straying into punishing or fining Tesco for its wrongdoing as I have no authority to either punish or fine Tesco in this way. On balance I consider the £500 reasonably compensates Mr W for the trouble, upset and inconvenience he has suffered.

It's also clear Mr W has lost the peace of mind of his three-year extended warranty along with the money he paid for it. I consider it's appropriate that Tesco refunds Mr W the unused portion of the costs of this warranty with interest. It should note however that Mr W only bought his car a mere six weeks before the vandals smashed his windows.

It's also appropriate Mr W has only one claim registered against him. Given the claim came about due to vandalism the claim would always be registered as a fault claim too. I'm not wholly persuaded the amount of the claim would have a direct bearing on premium prices as generally the fact of the claim and its recording as fault or non-fault tends to be the greater influencer on such matters. It would be useful if it's possible to detail on CUE the repair costs occasioned by the water damage which was Tesco's fault as against the repair costs from the smashed windows.

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:

- Pay Mr W the total sum of £500 compensation.
- Arrange and pay for an independent inspection of the repairs done to Mr W's car for both the water damage and the window damage. If further damage is noted arrange the repair of that further damage.
- Ensure all repairs do have the appropriate guarantee or warranty.
- Refund Mr W the unused costs of his warranty noting that Mr W only bought the car and warranty six weeks before his claim. Interest should be added to the refund from the date Mr W paid for his extended warranty to the date it refunds him. If income tax is to be deducted from the interest, appropriate documentation should be provided to Mr W for HMRC purposes.
- Detail, if possible, on CUE, the differing amounts of repairs from the glass and the water damage.

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

Rona Doyle
Ombudsman