

## **The complaint**

Miss G and Miss W have complained about the way Tesco Underwriting Limited handled a claim under their home insurance policy for damage caused by an escape of water.

References in this decision to Tesco include its agents.

## **What happened**

Miss G and Miss W made a claim to Tesco in January 2023 after a water leak caused damage to much of the downstairs of their home.

Tesco accepted the claim and appointed a contractor to repair the damage. It took until September for Miss G and Miss W to arrange for the leak to be fixed. In November 2023 Miss G contacted Tesco to complain that no work had been done to the property and so she and her family were still living in a damp house.

In January 2024 Tesco appointed another contractor as the original contractor was no longer available. It also arranged for the property to be dried out.

Miss G and Miss W say they were told by the contractor that because they had two children under the age of two they shouldn't stay in the house while the works were being carried out. Tesco refused to pay for alternative accommodation. So they had to use annual leave to go to stay with family in a different part of the country for several weeks. They also incurred unnecessary travel costs.

Miss G and Miss W also complained about the fact that the workmen damaged their home and contents in the process of their works. In particular, they said their sofa and carpets had been discoloured by the dirt and grime. They were also unhappy about delays in carrying out the works.

Tesco agreed that it should have taken into consideration the fact that the property wouldn't be suitable for young children to stay in. It said it would pay them a disturbance allowance of £1,088 to cover the period while they were staying elsewhere.

It agreed that its contractor should have used protective sheeting while the flooring was being laid. It said its contractor had offered to clean the stair carpet and sofa. The contractor had also arranged to replace a damaged bookcase.

Tesco offered them compensation of £500 for its poor service. Miss G and Miss W didn't think this was enough.

They brought their complaint to this service. Our Investigator recommended it be upheld. She thought Tesco should increase its compensation from £500 to £900. As Tesco didn't agree, the matter has been referred to me.

Miss G and Miss W have now sold the property.

## **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 can only look at how Tesco has handled Miss G and Miss W's claim up to 26 April 2024 being the date of the latest final decision. I am sorry to hear that there were further issues with poor workmanship but Miss G and Miss W would need to raise these with Tesco first.

Miss G and Miss W's policy covered them for alternative accommodation if their home couldn't be lived in because of damage insured by the policy. Tesco has accepted that due to the health and safety risks for the young children living in the property, alternative accommodation should have been offered in this case. As it was too late to offer this by the time it found out their situation, it has paid them a disturbance allowance to cover the additional costs they would have incurred during this period. This allowance is the industry standard of £10 a day for each adult and £5 a day for each child. I think this was fair in the circumstances and will look at compensation for the unnecessary inconvenience separately.

Claims of this nature will inevitably result in some level of inconvenience and disruption. But insurers should handle claims effectively. That means it should avoid causing unnecessary delays. I can see that the delays at the start of the claim weren't Tesco's fault. It wasn't until September 2023 that the leak had been fixed. Tesco appointed a loss adjuster at the end of that month but a contractor wasn't appointed until November. So I think it was responsible for a delay of about six weeks. During that period Miss G, Miss W and their family were living in a damp property.

Tesco has evidence that the contractor tried to contact Miss G and Miss W several times without success to discuss the works and by January it no longer had the capacity to do the job. That meant starting again with a new contractor. I can see that work continued at a reasonable pace after this point and it was mostly complete by April 2024 except that unfortunately there was a six week wait for two new internal doors which had been damaged by the contractor. The works were eventually finished in June 2024.

It must undoubtedly have been upsetting that Tesco's contractor caused further damage to Miss G and Miss W's home. I appreciate that the contractor agreed to replace and/or make good the damage. So I will just look at the impact of this on Miss G and Miss W when awarding compensation for trouble and upset.

It's fair to say that Tesco has made this claim worse than it needed to be for Miss G and Miss W. But to its credit it has recognised that. It has paid or offered a total of £500 in compensation for its poor service during the relevant period. Our Investigator thought that should be increased to £900. Looking at the effect on Miss G and Miss W of Tesco's poor service over the period in question, I think a total of £900 is appropriate in the circumstances for the trouble and upset it caused them during that time. It's in line with awards we've made in similar cases where the impact of a business's mistake has caused considerable distress, upset and worry over several months.

### **My final decision**

For the reasons set out above, I uphold this complaint and require Tesco Underwriting Limited to pay Miss G and Miss W a total of £900 as compensation for trouble and upset (less any sum already paid in this regard).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G and Miss W to accept or reject my decision before 20 February 2025.

Elizabeth Grant  
**Ombudsman**