

The complaint

Mr M has complained about the way Tesco Underwriting Limited settled a claim he made under a home insurance policy he shares with Mrs M.

What happened

Mr M reported an escape of water (EOW) from a kitchen appliance in November 2023. He made a claim for damage to their kitchen to his insurer Tesco. Mr M wanted Tesco to arrange for an approved contractor to carry out repairs.

After investigating the claim, Tesco said it would pay a cash settlement which was much lower than Mr M expected. It said the reason for this was because it had cash settled a previous EOW claim from March 2022. It said the claim costs included works to the kitchen kickboards and to re-level and tile the kitchen floor. Tesco said there was no evidence these works had been carried out since the previous cash settlement, so Tesco said it wouldn't pay twice for the same set of repairs.

Mr M said the Surveyor told him the cost to meet his claim was in the region of £12,000. The Surveyor denied confirming a settlement figure with Mr M.

Mr M didn't agree. He asked us to look at his complaint.

One of our Investigators didn't recommend the claim outcome should change for the same reasons as Tesco. She asked Mr M to provide evidence of works he'd had done to the kitchen since the previous cash settlement. But Mr M said he wasn't able to provide evidence.

The Investigator thought Tesco should pay compensation for the distress and inconvenience caused by delays between May and August 2024. She thought Tesco could have updated Mr M sooner about its decision. She recommended Tesco pay £350.

Tesco accepted the Investigator's view.

Mr M didn't agree and wants an ombudsman to decide. He provided video footage of the floors in the bathroom, utility and kitchen. He says this shows he had the floors replaced. In summary he reiterated that he was told that the costs to repair the kitchen damage were in the region of £12,000. He says since the previous claim, a new kitchen floor had to be fitted and a new back door was fitted due to the change in floor level.

In any event, Mr M doesn't agree his previous claim has anything to do with this claim as the previous claim was for damage to the bathroom and this claim is for damage to the kitchen.

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've looked at photos and the scope of works for the claim from March 2022 and November 2023. Photos of the kitchen floor before and after the March 2022 claim do not show any change. The video footage Mr M has kindly provided doesn't show a change in the tiles in the kitchen to what was there before. While it's possible Mr M has replaced the floor with similar tiles, without any evidence of the works by way of invoices or receipts for payment, I

cannot safely conclude that Tesco has acted unreasonably. I think it was entitled to deduct the costs for the same works it paid under the previous claim that fell under this claim – as there isn't any evidence the cash settlement from the previous claim has been used to pay for the previous required repairs.

The scope of works for the previous claim show that although the origin of the leak in March 2022 was the bathroom, the cash settlement included a payment of £3,978 for kitchen repairs: including replacing and re-levelling the kitchen floor, new tiles and new kickboards.

When two parties disagree about what was discussed verbally, it isn't possible for me to decide in favour of one party over the other. I understand Mr M feels strongly about his complaint that the Surveyor gave him a figure of £12,000 to cover his claim in November 2023. But in any event, Tesco hasn't agreed to pay the claim in full for the reasons given above. So it doesn't change the outcome.

Putting things right

I think Tesco caused avoidable delays in settling this claim from May 2024 to August 2024. It was waiting for an update from an appointed Surveyor. But as the Surveyor was acting on Tesco's behalf, Tesco is responsible for the delay. So I think Tesco should pay Mr M compensation for the distress and inconvenience caused by its lack of updates on the claim during this time. I think £350 compensation is fair in this case.

My final decision

I understand Mr M will be disappointed with my decision. But for the reasons I've given above, my final decision is that I uphold this complaint in part. I require Tesco Underwriting Limited to pay Mr and Mrs M £350 compensation for the distress and inconvenience caused.

I think Tesco's decision to settle Mr M's claim by way of a reduced cash settlement is fair and in line with the policy.

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

If Tesco Underwriting Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr and Mrs M how much it's taken off. It should also give Mr and Mrs M 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 Mrs M and Mr M to accept or reject my decision before 12 June 2025.

Geraldine Newbold
Ombudsman