

## **The complaint**

Mr G complains Tesco Underwriting Limited has unfairly settled a claim made against his motor insurance policy, when he wasn't involved in an accident.

## **What happened**

In Summer 2024 Tesco contacted Mr G to inform him that a third-party (TP) had made a claim against his policy. The TP said Mr G had caused damage to the third-party vehicle, which was stationary outside of the TP's home.

Mr G told Tesco he hadn't been involved in an accident, Tesco asked him to provide photographs of his vehicle in order to defend the claim, Mr G did so. However, after further back and forth with the TP, Tesco asked for further information from Mr G. Tesco said Mr G wasn't engaging with it and so it settled the claim with the TP, the claim being recorded as a 'fault' one on Mr G's policy.

Mr G complained about Tesco's decision to settle the claim, he referred to it being a scam. He also said in settling the claim, his no claims discount had been reduced. Tesco didn't accept it had acted unfairly in the way it had handled matters. It said Mr G hadn't chosen to protect his no claims discount and so it had been reduced appropriately.

Unsatisfied with that response, Mr G referred the complaint to the Financial Ombudsman Service for an independent review. Our Investigator didn't uphold the complaint. She was satisfied Tesco had initially sought to defend the claim on Mr G's behalf, but said when he refused further cooperation, Tesco acted reasonably in settling the claim, and the resultant reduction in his NCD was in line with the terms of his policy.

Mr G didn't accept that; he asked for an Ombudsman to consider the matter. He said the Investigator's findings had no legal basing, he had cooperated with Tesco and given a written declaration that he hadn't been involved.

As the matter hasn't been resolved, it has come 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 find my view is the same as that of our Investigator. I've set out my reasons below. However, in line with the informal nature of our service, my findings will be brief.

The terms of Mr G's motor insurance policy allow it to defend or settle any claims on his behalf. That means it might make a decision he disagrees with, but the policy allows it to do so. This is the contract which Mr G agreed to when taking out the policy with Tesco, and is fairly standard in the motor insurance industry.

I can, however, consider if Tesco's decision to settle the claim was reasonable. Having done so, I find that it was. Tesco did initially seek to defend Mr G, it asked for further details from the TP, it also asked for Mr G's version of events and photographs of his vehicle. However, in November 2024, with the TP issuing legal proceedings, Tesco contacted Mr G further, and

he refused to cooperate, it said as such, rather than risk losing in court, it would agree to settle the claim.

Mr G doesn't seem to deny refusing to provide further assistance to Tesco. His view is that his declaration was enough for Tesco to defend matters. He refers to the claim, and Tesco's pursuance of him, as a scam, although he doesn't seem to have provided any detail as to why he considers that to be the case.

I appreciate Mr G was upset and frustrated by the matter, but I'm not satisfied Tesco is responsible for that upset. A TP contacted Tesco to make a claim against Mr G, Tesco doesn't have a choice but to investigate that and decide whether to defend or settle the claim.

Tesco's view was that given the incident was said to have taken place outside of Mr G's home, involving a neighbour's vehicle, that without further assistance from Mr G it wouldn't be able to successfully defend the claim. I think that was a reasonable position for Tesco to take and as such, I'm not going to interfere with its decision to settle the claim.

And as I'm satisfied Tesco fairly settled the claim, its rightly recorded as a fault claim on his policy. His policy terms say (for unprotected NCDs) that if a driver has five or more years NCD, then having a claim in that policy year will mean the NCD would drop to three years at renewal. This is what happened to Mr G, so I'm satisfied Tesco has acted in line with the policy terms.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 July 2025.

Michelle Henderson  
**Ombudsman**