

## **The complaint**

Miss B and Mr M complain about how Tesco Underwriting Limited (“Tesco”) declined a claim for the theft of a car under their car insurance policy. The policy is in Miss B’s name and Mr M is a named driver on it.

When I mention Tesco I also mean its suppliers and investigators.

## **What happened**

Miss B had a motor insurance policy with Tesco covering her car.

In December 2023 her car was being used by Mr M. He parked it near a shop when he was alerted that it’d been taken. CCTV was available from the shop owner’s system.

They reported the theft of the car to Tesco and the police and made a claim.

Tesco said it would settle the claim for £32,110 less their excess. But then it decided it needed to investigate further, so it said it wouldn’t pay the claim while it did this.

It interviewed Miss B and Mr M and carried out an analysis of the keys they provided it.

Tesco then repudiated their claim as it said it couldn’t satisfy itself about the circumstances around the ownership of the car and the claim. It raised further issues with undisclosed convictions and claims, the lack of an MOT on the car and other inconsistencies about what had been disclosed when Miss B bought the policy and added Mr M as a named driver.

Miss B and Mr M complained about the delays investigating their claim and that it’d been declined. Tesco paid them £350 because of the delays, but it said it thought it’d correctly declined their claim.

They brought their complaint to this service. They ask that their claim is paid. Our investigator looked into it and thought it wouldn’t be upheld. She thought Tesco’s investigation into the claim was fair.

Tesco said it had no further comment to make, but Miss B and Mr M didn’t agree with the view. They asked that their case was referred to an ombudsman. They asked that Tesco re-review the CCTV footage and other evidence. They deny that they didn’t disclose their correct details when the policy was bought.

Because Miss B and Mr M didn’t agree, their complaint has been passed to me to make a final 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.

It’s important I start by saying that there’s extensive correspondence between Miss B and Mr

M and Tesco in the file. I'll not refer to it all here and instead I'll focus on what I think are the central points of Miss B and Mr M's complaint.

I'd like to assure Miss B and Mr M that I have read all of the file even if I don't mention it here. This is in line with this service's informal approach.

Our role is to consider whether Tesco has acted in line with the terms and conditions of the policy, and fairly and reasonably. Having read the file, I'm not upholding Miss B and Mr M's complaint. I do appreciate the disappointment this will cause them, and the strength of their feelings about this, and I'll explain why I've reached this decision.

From the file I can see that Tesco rejected Miss B and Mr M's claim under the following part of its terms and conditions, which is commonly referred to as the fraud condition:

*"...making a false statement or misrepresenting or withholding information, from [Tesco], one or more of the following actions will be taken:*

Your claim will be refused, or only a proportion of your claim will be paid"

This type of policy condition is common in the insurance marketplace, and I think its meaning is clear and its use is fair.

I can see in the file Tesco points out inconsistencies in Miss B and Mr M's version of events. This includes key issues about how they came to own the car, which was paid for with cash and a piece of jewellery, and the lack of evidence of the transaction.

Of course, it's fair I say that a cash transaction may not necessarily have proof attached, but I can see from the file that Tesco wasn't able to satisfy itself that the purchase of the car took place as said as there was a receipt, but it wasn't able to be checked due to missing detail.

Other issues include about the policy validity include that the car didn't have a valid MOT when it was stolen, that the annual mileage was set at 6,000 by Miss B, but the car had travelled over twice as far in less than a year. It wasn't kept on a driveway, but in a communal parking area,

Tesco also researched Miss B and Mr M's history and found there were undeclared motoring convictions for Mr M, and an undeclared policy cancellation with another company. There were five undeclared previous claims for both of them, and an issue with a previous claim being 'open' but Miss B and Mr M saying it was 'non fault' (and therefore presumably settled). I appreciate Miss B and Mr M said they thought they'd disclosed everything they needed to, but the evidence on file doesn't seem to agree with that.

It also found that Mr M's occupation didn't seem to have been entered correctly, as he was a director of companies, and Miss B didn't declare at investigation she was a previous director.

Tesco also said it couldn't establish what had gone on around the theft of the car. It talked about discrepancies in Mr M's version of events when he said the shop owner noticed the car was missing on CCTV, but the shop owner later said Mr M had stepped outside and found it missing, before returning. There's a third, slightly different, claim in the file, but I think that's from Miss B's version of events as she made the initial claim to Tesco.

I've mentioned above that Tesco used the services of a specialist investigation company. I've read that report carefully and I can see it had several concerns about what had taken place. I'm not going to talk about these in any detail as I've outlined the key points above.

I'll also say that a forensic analysis of the two car keys Miss B and Mr M provided was carried out. The expert analysis confirms that both keys were manufactured before their car was, and the car's manufacturer said it didn't recognise the serial numbers in use. The key expert couldn't be sure if either key could have been, or was actually, used on their car.

Taken everything into account, I think Tesco acted fairly in its investigation of the circumstances of the claim and ownership of the car. Tesco, like other insurers, has an obligation to check and investigate claims and I can't say that's unfair.

The decline of their claim has, I'm sure, affected them greatly and I can see from Mr M's passionate response that he is greatly aggrieved. But I also need to consider whether Tesco's handling of the claim led to additional distress and inconvenience for Miss B and Mr M. I can see that the claim was made in December 2023, and the claim was repudiated exactly seven months later.

I've thought carefully about this. I've said above that Tesco needs to satisfy itself that a claim is valid, and it's fair for it to investigate the policy and claim to do this. I can also see that it told Miss B and Mr B that their claim would be paid, before retracting this. It said it made an error by offering settlement before its investigation was complete.

I'm sure this offer and subsequent retraction caused significant upset to Miss B and Mr M and I'll take this into account, even though I said it's fair Tesco is able to investigate more.

Tesco caused a further delay when it sent off the keys for further analysis, which I can see caused a further delay to the claim and more frustration for Miss B and Mr M.

As I've said, it's not this service's role to assess the claim, only to explore whether Tesco has acted fairly. And in this case I think it has.

There are inconsistencies in Miss B and Mr M's ownership of the car and the version of events that haven't been explained to Tesco's satisfaction.

So, I think its investigation has been comprehensive and fair and reasonable, and therefore Tesco's decline of Miss B and Mr M's claim is also fair and in line with the policy wording.

But it's clear that the lengthy process their claim has been through has led to some distress and inconvenience for them. Some of this is unavoidable, but elements of it such as the delay sending keys to be analysed extended the claim period significantly and I think Tesco's service should have been better.

Tesco paid Miss B and Mr M £350 compensation for this, which they accepted. I've considered this service's guidelines on compensation and I think this amount is fair and in line with those.

### **My final decision**

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B and Mr M to accept or reject my decision before 14 August 2025.

Richard Sowden  
**Ombudsman**