

The complaint

Mr S complains that Tesco Underwriting Limited have delayed in making a decision on his motor claim.

What happened

In January 2024 Mr S's car was stolen. He reported to the police and the insurers the same day. The police closed the case as a stolen car two weeks later.

Tesco's appointed an agent to investigate the claim and they eventually interviewed Mr S three months after the claim was made on 11 April.

On 30 May 2024 Mr S was made a settlement offer for the car which he accepted.

He heard nothing further and then on 17 June he contacted Tesco's and was told that another investigator had been appointed.

Mr S says that this delay in obtaining a settlement for his car has left him paying the finance on a vehicle he no longer has whilst also covering taxi fares to work and so he complained.

Tesco upheld the complaint and offered Mr S £250 for the delays in processing his claim, although they said that their investigations were still ongoing.

Mr M was unhappy with this response and brought his complaint to us.

Since the complaint has been with us, Tesco have offered an additional £250 for the delays, bringing the total compensation to £500. Mr S rejected this offer and I understand it hasn't yet been paid.

One of our investigators looked into Mr S's complaint. He thought that Tesco's offer was fair, but Mr S was still unhappy as his claim was still outstanding, and so the complaint came 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.

What I have to decide is whether Tesco have acted fairly and reasonably and in line with the terms of the policy when dealing with Mr S's claim.

Having thought about this I'm upholding this complaint, and I will explain why.

I'm only able to consider any redress for delay during the period from the claim in January 2024 until July 2024 – so a period of six months. Mr S will need to make a separate complaint if he is unhappy with the continued delays after that date.

Shortly after the claim an agent was instructed to investigate and validate the claim because Mr S hadn't been able to provide all the documents or a second key.

There was some delay in the agent conducting the interview, but the agent interviewed Mr S and his partner about the theft in April and following that they recommended that the claim be settled.

So, on 30 May 2024 Mr S was provided with a proposed settlement figure. The proposed settlement was £49,750, minus an excess of £1,350 and outstanding finance £39,212.67, leaving a balance payable to Mr S of £9187.33

When Mr S chased this in June, he was advised that Tesco had appointed a second agent to undertake further enquiries. I understand that they wanted to interview Mr S's brother-in-law because the car was stolen from outside his house, and also to try and obtain some tracking information from the dealer.

The second agent delayed in arranging the interview, failed to provide updates and when I received this complaint in March 2025 it was still not resolved. I wrote to Tesco saying that I was minded to make a direction that they decided the claim within 14 days given the unreasonable amount of time it had taken, and shortly after, they confirmed that the claim has now been settled as of 4 April 2025.

Claims of high value can take a while to validate, especially when there are missing documents and keys, and so I don't think it was unreasonable for Tesco to undertake some checks. However, there was some delay in the investigations being started, and then having made an offer to settle the claim in May 2024, Tesco went back on this and started further enquiries without making it clear to Mr S why this happened, which will have been understandably frustrating. However, taking into account that some validation was appropriate, I am only looking at the short delay before starting the investigation, and the further delay between May and July 2024.

Whilst I appreciate that Mr S will have had to continue paying his finance agreement as well as bus fares, he will have ultimately had the finance money reimbursed to him, and so I'm satisfied that Tesco's offer of £500 is fair for the distress and inconvenience experienced.

Putting things right

To put things right, I think Tesco should:

Pay Mr S the additional £250 offered for the distress and inconvenience caused, making the total compensation £500.

My final decision

My final decision is that I'm upholding Mr S's complaint and directing Tesco Underwriting Limited to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 May 2025.

Joanne Ward
Ombudsman