

The complaint

Mr and Mrs J complain about how Tesco Underwriting Limited have dealt with their claim.

What happened

Mr and Mrs J have household buildings and contents insurance with Tesco. They have a long running claim for subsidence and a claim for storm damage to their conservatory both of which have been referred to our service.

The parties are aware of the history of these claims so I'm only going to include details of the matters relevant to this complaint.

As part of Mr and Mrs J's subsidence claim repairs were carried out to their loft. They say that due to the poor quality of these repairs the loft and upstairs rooms have become damp and mouldy, as has the loft insulation. And further repairs, cleaning and replacement of the insulation is required.

They raised a complaint which Tesco responded to on 31 January 2025. In this Tesco said that that Mr and Mrs J had been given a cash settlement of £250 to cover the cost of re-laying the insulation. But following a discussion with the loss adjustors they accepted this wasn't enough to cover the repairs required to the loft so they'd paid a further cash settlement of £1,200.

Mr and Mrs J had requested that Tesco arrange for a contractor to complete the necessary reinstatement works, but they said the most appropriate solution was for them to employ their own trusted contractor to complete the work.

So Tesco upheld the complaint and agreed to pay Mr and Mrs J £400 compensation for the initial incorrect amount being offered to them for the loft reinstatement, and the delays and further work needed as a result.

Unhappy with Tesco's response Mr and Mrs J complained to our service. Our investigator considered the case and said she could see that Tesco asked Mr and Mrs J to submit quotes for the work, which they hadn't done. So in the absence of any quotes she didn't think Tesco's offer, based on their cost to do the work was unreasonable, as this was the only information they had.

She said she understood that Mr and Mrs J wanted the work to be arranged by Tesco. But based on the claim history and previous breakdown in the relationship between Mr and Mrs J and the contractors. She didn't think this was appropriate and felt a cash settlement was the best way forward.

But she said Mr and Mrs J shouldn't suffer any financial detriment as a result of their claim being cash settled. So if they provided quotes to show it would cost them more to carry out the loft repairs than Tesco had offered, she'd expect Tesco to consider this reasonably. But mindful that building costs are likely to continue increasing over time, any quotes should be submitted within a reasonable timeframe.

And despite Mr and Mrs J feeling let down, and accepting that Tesco's service could have been better, she felt their offer of £400 compensation and to review quotes was reasonable.

Mr and Mrs J responded to our investigator's view saying that the failure of the repairs to their loft had caused mould, and the sum Tesco had offered didn't reflect the cost to remove this or repair all the upstairs rooms that had been affected. They also said that they still wanted Tesco to arrange to have the necessary work done. And that they'd not received the £250 Tesco said they'd been paid.

They also said that they were still waiting to hear from Tesco about repairs to their conservatory roof which had been agreed under the storm damage claim they'd referred to our service.

Our investigator asked for Tesco's comments on the points Mr and Mrs J had raised. They replied saying that Mr and Mrs J hadn't provided any evidence regarding the mould, so they'd just made an offer based on the cost of replacing the faulty insulation.

In response our investigator suggested that Tesco arrange for the work required relating to the mould to be scoped. And she pressed them for a response regarding the conservatory roof and whether the £250 had been paid.

Our investigator they told Tesco that as the £250 hadn't been paid she'd need to issue a further view dealing with this. Tesco hadn't responded regarding the conservatory and she reminded them that our service issued an outcome in 2023 on the conservatory roof issue. This said the cash settlement of £700 they'd offered wasn't fair, and as they didn't want to do the work, Mr and Mrs J could submit quotes which Tesco should pay.

Our investigator sent Tesco the quote Mr and Mrs J had obtained, which she said was significantly higher than the £700 previously offered. And as neither Tesco or their loss adjustors had addressed this and Tesco hadn't offered to do the work, or visit the property, she said she was likely to say Tesco should pay the amount of the quote to move the case forward.

She then issued a further view which addressed the failure of the loft repair causing mould and the further issues regarding the £250 Mr and Mrs J say Tesco hadn't paid and the outstanding repairs to the conservatory roof.

In respect of the loft insulation, as Tesco hadn't agreed a site visit, our investigator said she had to assume they didn't dispute Mr and Mrs J's claim about the loft insulation and mould or the repairs that might be required. So she said Mr and Mrs J should present quotes to Tesco, including the cost of rectifying the mould, within a reasonable timescale and Tesco should cash settle the claim on this basis.

As Tesco had confirmed that the £250 payment hadn't been paid, she said it wasn't fair that Tesco had deducted this from the cash settlement to repair the insulation. So they should pay the £250 plus 8% simple interest. And if the quotes submitted for repair of the insulation were higher than the £1,200 Tesco had paid, they should cover any difference.

Turning to the conservatory roof our investigator said this appeared to be related to a previous storm damage claim, rather than the subsidence claim, although Mr and Mrs J had told us that the loss adjustor dealing with the subsidence claim had suggested there might be a crossover between the damage caused by the storm, and the subsidence damage.

Mr and Mrs J had raised the issue with Tesco's loss adjuster during 2025, and it was raised when this complaint was first referred to Tesco in January 2025. As it hadn't been addressed

our investigator said she believed we had the power to deal with it under this complaint.

We considered Mr and Mrs J's complaint about storm damage in 2023 under reference [REDACTED]. Tesco had offered a cash settlement of £700 to repair their roof. The outcome issued in that case said under the terms of their policy Tesco were entitled to offer Mr and Mrs J a cash settlement. But they hadn't asked for this, Tesco had decided to cash settle. So the cash settlement should reflect what it would cost Mr and Mrs J to do the repairs, not what it would cost Tesco. And if Mr and Mrs J say the £700 offered isn't enough they should provide quotes that support this and Tesco should settle the claim on the basis of these.

Mr and Mrs J say they sent a quote dated 10 April 2024 to Tesco but they never responded to this. So in line with the previous outcome, and in the absence of any further information from Tesco, our investigator said Tesco should cash settle Mr and Mrs J's claim for their conservatory roof based on the quote they'd submitted.

She noted that Mr and Mrs J had repeatedly said that they're happy for Tesco's contractors to do the work required to both the conservatory roof as well as to the loft insulation. Tesco had either declined or not responded to these requests. If Tesco maintained this position our investigator said it wouldn't be fair for them to want to inspect the property at a later date, so they need to cash settle the claim based on the quotes provided.

Mr and Mrs J were happy with our investigator's opinion, but Tesco didn't respond, so the case has come to me for a 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.

There are three complaint issues that I need to consider. These are: -

- The £250 payment Tesco deducted from the cash settlement for the insulation repair.
- The failed or poor quality repairs to Mr and Mrs J's loft.
- Repairs to Mr and Mrs J's conservatory roof.

The £250 cash settlement payment

Tesco told us they'd paid a cash settlement of £250 to Mr and Mrs J to cover the cost of re-laying their loft insulation. They later agreed that this wasn't enough and made a further cash settlement of £1,200, after deduction of the earlier payment. Tesco now accepts that the £250 wasn't paid so they should pay this sum to Mr and Mrs J together with 8% simple interest from the date the payment should have been made to the date of payment.

The failed or poor quality repairs to Mr and Mrs J's loft

Mr and Mrs J have told us that the poor quality of the repairs to their loft have led to damp and mould in the loft and upstairs rooms. After their initial offer of £250 to re-lay the loft insulation Tesco accepted that this wasn't enough and paid Mr and Mrs J £1200. But they haven't responded to the complaint about further damage, or as Mr and Mrs J have requested, arranged for a loss adjustor to examine or scope the work required. Progress needs to be made to resolve this matter. Tesco have accepted that further work is required to resolve the issues in the loft, due to the poor quality of the repairs, and they made a cash settlement towards this. Which Mr and Mrs say this isn't enough to complete the necessary repairs.

Mr and Mrs J would like Tesco to arrange for their contractors to complete the necessary work. Tesco have in the past indicated that due to issues between their contractors and Mr and Mrs J they want to cash settle the claim, and the policy gives them the right to do this. Given the lack of response from Tesco about the further issues Mr and Mrs J should obtain three quotes for the necessary work in the loft and other affected rooms, and submit these to Tesco who should then cash settle the claim on the basis of the quotes.

Any quotes should be obtained and submitted within a reasonable period. As we're approaching Christmas I think two months should be sufficient time for the quotes to be obtained and submitted. And I'm sure Mr and Mrs J are keen to have the necessary work completed without further delay.

The conservatory roof

The damage to the conservatory roof relates largely to a storm damage claim which was considered by this service in 2023. So I need to decide whether it's appropriate for me to consider this in the context of this claim.

I'm satisfied that Mr and Mrs J complained to Tesco about them not responding to the quote they submitted relating to their conservatory roof. Our investigator addressed this in her view and Tesco haven't responded to her findings. So while I could say that we need to open a new complaint for Mr and Mrs J about the conservatory roof, I don't think that's the best way to proceed, as it's only going to delay things further. And Tesco have had an opportunity to respond and have failed to do so.

We considered the repairs to Mr and Mrs J's conservatory roof in 2023 and said if they were unhappy with the £700 cash settlement Tesco had offered they should submit quotes and Tesco should settle their claim based on these.

Mr and Mrs J obtain a quotation for the work required on the conservatory roof which is dated 10 April 2024 and is said to be valid for 90 days. They say they submitted this to Tesco in April 2024 and received no response. The cost of the work was £5,400.

While I'm aware that Mr and Mrs J will now have to obtain a further quotation for the work, I don't want to delay this matter further by saying they should obtain and submit further quotations. As if Tesco fail to respond they'll then have to come back to us.

I'm satisfied that Tesco have had plenty of time to review the quotation and if they didn't accept it, to arrange for the conservatory roof to be inspected and the work scoped. They didn't do this so they should cash settle the claim for £5,400 in line with the quotation which will give Mr and Mrs J the funds to arrange the work.

Putting things right

To put things right I require the parties to do the following: -

- Tesco to pay Mr and Mrs J the £250 deducted from the cash settlement to have their loft insulation re-laid, together with 8% simple interest from the date the payment should have been made to the date of payment.
- Mr and Mrs J to obtain three quotes for the necessary work in the loft and other affected rooms, and submit these to Tesco who should then cash settle the claim on the basis of the quotes. This to be done within a reasonable timescale.
- Tesco to cash settle the claim for Mr and Mrs J's conservatory roof for £5,400.

My final decision

For the reasons set out above my final decision is that I uphold Mr and Mrs J's complaint about Tesco Underwriting Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J and Mr J to accept or reject my decision before 24 December 2025.

Patricia O'Leary
Ombudsman