

The complaint

Miss H has complained about the service received by Tesco Underwriting Limited. She complains that as that as a claim was not resolved in a timely manner her renewal premium increased.

What happened

The background to this matter is well known to the parties so it serves no purpose for me to repeat all the details here. In summary Miss H's car was damaged in a car park on 3 January 2024 – she notified Tesco. Miss H then had her car repaired privately and on 21 February 2024 asked for her claim to be closed via email. Tesco closed the claim as notification only on 23 February 2024 and updated its database to reflect this. It sent Miss H confirmation of this advising her no claims discount (NCD) wouldn't be affected on the same day.

In response to Miss H's request a further copy was sent to her on 27 February confirming that the claim had been closed as non-fault.

Miss H had been sent a renewal quote on 14 February 2024 of £1,663.44. She emailed Tesco on 4 March 2024 – she wanted her renewal premium to reflect the fact that the claim was closed. A revised renewal premium was sent to her of £1,590.09. Miss H decided not to renew her policy with Tesco. It sent a further letter on 5 March 2024 reiterating the claim had been closed as non-fault.

Our investigator looked at Miss H's concerns but didn't find that Tesco had done anything wrong. Miss H appealed.

She said that the renewal price was not a major concern as she had changed insurers. Miss H felt that she had been cheated by Tesco and that her complaint wasn't mere dissatisfaction but involved a clear service failure with tangible financial consequences.

As no agreement has been reached the complaint has been passed to me to determine.

In this decision I am not considering Tesco's handling of Miss H's motor insurance claim, that has been the subject of a final decision by an ombudsman colleague.

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.

Although I've summarised the background to this complaint, no discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts.

Insurers must pay due regard to the interests of its customers and treat them fairly. So I've considered, amongst other things, the relevant law, the policy terms and the available

evidence, to decide whether I think Tesco treated Miss H fairly. Having done so I agree with the conclusion reached by the investigator for the following reasons:

- I understand that Miss H believes that Tesco left the claim open longer than was necessary. But I am satisfied by the evidence I have seen that it actioned Miss H's request to close the claim within two days of Miss H's request for it to do so. I don't find that there was any failing here on the part of Tesco.
- Miss H complains about the financial impact that the premium increase has had. I note that she changed insurers and doesn't now consider this to be a major concern. But to address her complaint point that this was unfair, I can see that the premium she was quoted did rise substantially from the previous year. However Tesco have demonstrated the factors taken into account in calculating the premium and although I can't share the commercially sensitive underwriting evidence, I'm satisfied that rates weren't applied unfairly.
- For completeness I would add that insurers are commercial entities acting in a free market. This Service cannot dictate what risks they should cover and at what price. We will not interfere with a premium offered as long as we are sure that the insurer is treating the customer fairly and consistently. I find that this the case here.
- Miss H has also said that she didn't receive the renewal documentation - but I can see that it was correctly addressed and that Miss H specifically complained about the increase to this Service. So I find it more likely than not that the revised renewal premium was made available to Miss H. Miss H chose not to renew her policy from 12 March 2024 and insured her car with another insurer. That was of course her choice and on the basis of the evidence before me I don't find that Miss H was financially disadvantaged as a result of any delay on the part of Tesco.
- I haven't disregarded Miss H's submissions that Tesco has provided fake information to this Service, but I have seen no evidence that this is so. Likewise I accept that that Miss H doesn't agree that this complaint is just about dissatisfaction or disappointment. But I have carefully considered the representations she has made, along with Tesco's regulatory duties. In all the circumstances I don't find that Tesco treated Miss H unfairly, or contrary to regulation or law. I'm sorry that my decision doesn't being Miss H welcome news.

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 Miss H to accept or reject my decision before 25 September 2025.

Lindsey Woloski
Ombudsman