

The complaint

Miss N has complained about Tesco Underwriting Limited's decision to settle a third party claim against her car insurance policy.

What happened

In December 2024 Miss N says the wing mirror of her car made contact with the rear of a bus. Miss N took photos of her car and the bus which she says shows there was pre-existing damage to the bus. Miss N says her car's wing mirror wasn't damaged and was able to be pushed back into place.

In January 2025 Tesco received a claim from the third party insurer (TPI)'s representatives. On reviewing the claim, Tesco agreed to settle it.

Miss N disagrees with Tesco's decision. She says the damage to the bus wasn't caused by her car.

One of our Investigators didn't recommend the complaint should be upheld. Miss N wants an ombudsman 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.

We don't decide liability as that is the role of the courts. We can decide whether an insurer reached its decision reasonably and in line with the policy. Tesco like most – if not all standard insurance policies I've seen – has a term which says it can take over the defence and settlement of a claim in a customer's name. This means Tesco might make a decision Miss N doesn't agree with. We don't disagree with this term in principle, provided an insurer can show it treated a customer fairly when applying it.

Miss N provided photos of the area of the bus she says she made contact with. And she provided photos of her car, which is the same colour as the bus. The photos show white scuff marks on the rear of the bus which Miss N says can't have been from her car.

It isn't unusual for scuff marks to show up as white, even if the colours of the vehicles in contact with each other are not white, especially where the impact is light. This is due to the impact of both vehicle's clear coats rubbing against each other.

The TPI included a claim for a damaged rear light which Miss N disagrees with. But the light is at a similar height and in the area of impact. So I don't consider it unreasonable for Tesco to have considered and meet these claim costs.

I understand miss N is unhappy with the total claim costs. Having reviewed them, I don't find them to be unreasonable. The third party claimed for loss of use, an engineer's report, and repair costs.

Insurers deal with claims every day. When doing so, they weigh up the risks and costs of settling a claim compared to pursuing a claim through the courts, taking into account its chances of success.

Tesco is entitled to make a decision as to how best to settle the claim. In this case, I don't think it acted unreasonably in agreeing to settle the third party claim. The damage the third party claimed for was in the area that matched the area of contact. And Miss N accepts that contact was made.

I understand Miss N will be very disappointed with my decision. But for the reasons I've given above, I'm not asking Tesco to change its decision.

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 N to accept or reject my decision before 16 October 2025.

Geraldine Newbold
Ombudsman