Financial Ombudsman Service

The complaint

Mr and Mrs C were unhappy when Tesco Underwriting Limited ("Tesco") declined their claim, when a valuable watch was stolen from their home. Tesco was providing a home insurance policy.

What happened

Mr C made a claim when his watch was stolen. Mr C recalled taking his watch off after a night out and placing it in a draw next to his bed. When he went to wear it next, it was missing. Mr C said an engineer worked in his house around that time and he thinks he may have stolen the watch.

Tesco appointed a loss adjuster to review and validate the claim. Based upon the loss adjuster's report, Tesco decided to decline the claim. It said there was no sign the property had been broken in to, so concluded it was most likely the engineer had stolen the watch. Tesco explained to Mr C it had declined the claim using a general exclusion in the policy that excluded cover for "any criminal or deliberate act permitted by you or your family and carried out by you, your family or anyone lawfully within your home".

Mr C thought this was unfair, as he said he hadn't given permission to the engineer to go upstairs in his home. He didn't think it was reasonable to be expected to supervise someone in his home, especially when he was tending to a young child at the time. He wants his claim settled in full.

Our investigator decided to uphold the complaint. As Mr C said he hadn't given permission for the engineer to go upstairs in the property, our investigator thought Tesco shouldn't rely on the exclusion clause. So, he asked Tesco to re-consider the claim in line with the remaining terms and conditions of the policy. Tesco disagreed, so the case has been referred to an ombudsman.

My provisional decision

I made a provisional decision on this on 21 August 2025. I said:

Tesco has provided some further information to support the decline of the claim.

It said *"our decision to decline the claim was based on the policy exclusion which clearly states that we do not cover loss or damage caused by any criminal or deliberate act carried out by someone lawfully in the home. We maintain that the engineer's initial entry was lawful, and the exclusion was applied in line with the policy wording".*

Tesco has provided further information to support its policy definition for home which is used in the exclusion clause. It said *"home"* is *"the private residence (including the main building and any garages or outbuilding) at the address stated in your schedule, used by you for domestic and home working purposes only".*

Tesco has further explained *"this definition encompasses the entire premises, including upstairs areas. There is no indication that Mr C communicated any restrictions on movement* *within the home, nor that the engineer was made aware he was not permitted to access certain areas. In the absence of such instructions, it is not unreasonable for a tradesperson to move within the property as required to complete their work".*

In contrast Mr C said *"the engineer went upstairs without letting me know and I was not aware, I only noticed when he was coming downstairs. After I asked him, he told me that he went to check the radiators upstairs".* Mr C explained *"it was impossible for me to know that the guy was going to go upstairs and that he did go upstairs as I was busy with my daughter".*

I understand what Mr C has said. It was difficult for him to keep tabs on the engineer within his home as he was busy with a young child. However, I don't intend to uphold this complaint, as I can't see that Tesco has done anything wrong. I think Tesco's decision to decline the claim is a fair one, and in line with the policy terms.

I appreciate Mr C thinks Tesco's decision to decline the claim is stupid and he believes no one can enter his house and there would be no way he could get anything fixed.

However, I think the policy is clear that it excludes *"criminal acts…by anyone lawfully in your home".* As Mr C had let the engineer into his home, he wasn't there unlawfully. The loss adjuster reviewing the case checked the home to see if there had been any evidence of forced entry or a break-in. As there wasn't, it seems unlikely the watch was stolen by anyone else. Mr C also made a statement to the loss adjuster where he said he was certain he had not misplaced the watch. He specifically recalled placing the watch in his draw where it was usually kept.

I understand Mr C thinks it's unreasonable that he would be expected to escort a trades person around his house. However, I would've thought it was prudent to check on the engineer's movements. I don't think many people would happily let a stranger roam freely around their house. I certainly would've expected Mr C to set some boundaries for the engineer and positioned himself in a place where he could monitor his movements.

I appreciate Mr C said he had a young child with him that he was looking after, but I don't think this is enough to relieve Mr C of his responsibilities under the policy to take *"steps to avoid or limit any loss".* In Mr C's own words, *"it was impossible for me to know what the guy was doing"*. It doesn't seem to me that Mr C took any steps to take precautions whilst a stranger was in his home. So, I don't intend to uphold this complaint.

I note that Tesco has left the claim at a point where it can be re-opened, should the Police's investigation provide any information that contradicts the conclusions that have been made with the decline of the claim. I think this is a reasonable position to take.

I can see Mr C felt the investigation of his claim took too long and he didn't receive the right level of communication. Having reviewed this, I think it's reasonable to expect an insurer to carry out a robust review of the claim, given the high value of the stolen item. I don't think the claim has progressed differently to what I would've expected. So, I don't intend to uphold this complaint.

Responses to my provisional decision

Tesco didn't respond to my provisional decision.

Mr C said, *"I am extremely disappointed and continue to disagree with the outcome that you've reached".*

Mr C made similar points to which he'd made during the investigation. He *said "In referencing the definition of lawful entry, I cannot accept that the engineer wasn't unlawful in entering my bedroom. I disagree that you consider that to be a lawful entry. As although the engineer has been granted permission to enter my house to service my boiler, entering my bedroom whilst I was occupied for a short time with my baby daughter does not give them a permission to sneak into my private quarters and steal my watch. A home-owner cannot be expected to be supervising a service engineer for every second. I am flabbergasted that you think this is reasonable".*

Mr C continued *"The point of having insurance is to cover such scenarios. I feel that Tesco are trying to stick to this definition as verbatim, when there's clear movement of interpretation, common sense and good judgment of what feels right. As what you consider to be lawful entry, I feel entering my bedroom is exceeding those boundaries".*

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.

I understand the strength of feeling Mr C has expressed in his response. However, I don't think Mr C has provided any new information, therefore, I'm not persuaded to change my decision, so I don't uphold this complaint. I think Tesco has fairly declined the claim for the reasons it has set out. I think it has reasoned logically why this is the case, and I've explained why I think this in my provisional decision. In particular, I've explained why I think it was lawful entry, how Mr C didn't set any clear boundaries and how Mr C didn't take any steps to avoid or limit any loss.

I appreciate Mr C is disappointed by my decision, but it also wouldn't be fair for me to uphold the complaint when I don't think Tesco has done anything wrong.

My final decision

My final decision is that I don't uphold this complaint. I don't require Tesco Underwriting Limited need to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 18 September 2025.

Pete Averill
Ombudsman