

The complaint

Miss T complains that Tesco Underwriting Limited declined a claim she made under her home insurance policy. She's also raised concerns about poor customer service and delays.

Tesco is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Tesco has accepted it is accountable for the actions of the agents, in my decision, any reference to Tesco includes the actions of the agents.

What happened

In late 2023, Miss T made a claim under her home insurance policy with Tesco. She said her jewellery and mobile phone were stolen while she was on holiday abroad. Miss T said she'd been advised not to wear her jewellery, so she'd put it in her handbag. The items had gone missing from her bag while she was in a restaurant's toilets.

Miss T said she'd already claimed for her phone under a different policy. She said her travel insurance provider had advised her to check if she could make a claim for the jewellery under her home insurance policy as there was a £400 limit on her travel insurance.

Tesco instructed its jewellery suppliers to assist with the validation of Miss T's claim. It also asked Miss T to supply evidence to support her claim.

In late 2024, Tesco told Miss T it was declining her claim. It said an insured event had not been evidenced, and it didn't consider Miss T had exercised reasonable care in safeguarding her property.

Miss T raised a complaint, but Tesco maintained its position. So, Miss T asked the Financial Ombudsman Service to consider the matter.

Tesco offered to pay Miss T £300 to compensate her for some poor service and delays. But Miss T rejected this. So, our investigator looked into Miss T's complaint.

Our investigator thought Tesco's decision to decline Miss T's claim was fair, but he didn't think its offer of compensation was sufficient. He recommended Tesco pay Miss T a total of £400 to compensate her for distress and inconvenience.

Both parties disagreed with our investigator's outcome.

Tesco made some further comments about the timeline of the progression of Miss T's claim. It said it was disappointed our investigator had suggested the requirements for further evidence to substantiate her claim weren't adequately communicated to Miss T.

Miss T said she had explained why she'd not reported the crime as part of the initial claim handling process. However, the claim was not rejected, which confirmed it was Tesco's intention to process it without the police report. She felt this contradicted the final outcome of the claim. Miss T said the decision to reject the claim appeared to have been made only after a valuation indicated the jewellery's high worth, at almost £34,000, far exceeded her

original estimate of approximately £3,000. She also made comments about Tesco's poor customer service and why she felt its handling of her case was discriminatory.

As Miss T and Tesco disagree with our investigator's outcome, the complaint has been passed 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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Miss T has told our service, but I'll be keeping my findings to what I believe to be the crux of her complaint. I wish to reassure Miss T I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

Claim decline

When a policyholder makes a claim, the onus is on them to show that an insured event caused the loss or damage. If it's established that an insured event caused the loss or damage, an insurer can decline a claim if it can show an exclusion applies or a condition has been breached.

Tesco says Miss T's claim was declined because she was unable to provide enough evidence for it to validate the claim. It says there was also a lack of reasonable care taken in safeguarding the property, as required by the terms and conditions of the policy.

The policy's terms and conditions say:

"You must cooperate with us fully in providing information and assistance to investigate and validate your claim. We will require proof of ownership and/or proof of loss (e.g. receipts, valuations, photographs, instruction booklets and guarantee cards). We will only ask you to provide information and assistance that is relevant to your claim."

The terms and conditions also say:

"If something has been stolen, or damaged by riot, malicious damage or vandalism you must tell the police (ideally within 24 hours), you must also share any relevant crime reference numbers with us."

Most policies require the policyholder to report any theft to the police and obtain a crime reference number before they can make a claim on the policy. So, I don't find this condition to be unusual.

Miss T says she didn't report the theft to the police as she would have had to pay to do so. She says she didn't have access to funds because of the theft of her mobile phone. She only had enough remaining cash for the rest of her stay and return to the UK. She says she was also informed by local contacts that attempting to report the theft to local police would be futile, and possibly unsafe or exploitative. She says she didn't file a retrospective police report in the UK because she had not reported the crime abroad and this had not been a requirement of her travel insurer.

The Foreign, Commonwealth & Development Office (FCDO) website confirms that police in the country Miss T was visiting charge foreign nationals a fee for police reports. It says they will not issue a crime reference number, which is needed for most insurance claims, without a police report.

I acknowledge what Miss T has said about having difficulty accessing funds because she no longer had her mobile phone. But based on what she's said, she doesn't appear to have taken any steps to acquire additional money, for example by contacting her bank. In correspondence with Tesco she said she was dissuaded by locals not to report the crime because it was costly, and the police would not properly investigate it. So, I'm not persuaded Miss T *couldn't* have reported the crime to the police, rather that she chose not to.

Miss T has commented that Tesco didn't advise her to make a retrospective report in the UK after she made her claim. However, Miss T didn't notify Tesco of her claim until almost a month after the alleged theft. So, I'm not persuaded Tesco misadvised her.

Tesco detailed its concerns about the validity of Miss T's claim in a letter it sent to her in August 2024. It outlined its concerns about the circumstances of Miss T's loss, as well as the evidence Miss T had provided to substantiate her ownership of the items claimed for. It also asked Miss T what measures she'd taken to mitigate the risk of a potential theft occurring.

I can see that Miss T responded to Tesco's letter in September 2024. Tesco informed Miss T of its decision to decline her claim in November 2024. It said an insured event had not been evidenced. It also considered that Miss T had not exercised reasonable care in safeguarding her property as required by the terms and conditions of her policy.

Miss T was claiming for twenty items which Tesco's suppliers have estimated to have a retail value of around £34,000. Miss T says it's usual for her to wear a lot of jewellery and she'd thought it was only worth around £3,000. But the estimated value of the jewellery was significantly higher than Miss T says she believed it to be. So, I think it's understandable that Tesco had concerns about why Miss T might have had such a large volume of high value items on her.

The second reason Tesco has given for declining Miss T's claim is a lack of reasonable care taken in safeguarding the property.

The policy's terms and conditions required Miss T to take steps to "*avoid or limit any loss, damage or injury.*"

The FCDO website says that the greatest risk to short-stay visitors to the country is from pickpocketing and mugging in the city where the incident occurred. It advises that visitors do not display or carry expensive items or large sums of money.

Given the high value of the items Miss T says were in her possession, I think it's reasonable for Tesco to have concluded that she might not have taken reasonable care to avoid her loss.

Tesco also says Miss T didn't take reasonable care in safeguarding her property because her handbag was not in her immediate line of sight whilst she was in the washroom.

Given that Miss T's handbag contained valuable items and cash, I think it would be reasonable to expect her to keep it as near to her person as possible. Miss T says she didn't see the items being stolen. She says the bag was placed two sinks away from her near the door whilst she was focused on the mirror in front of her. So, I think it was reasonable for Tesco to conclude that Miss T didn't take reasonable steps to avoid her loss.

I understand my answer will be disappointing for Miss T. But having considered everything, I don't think Tesco's decision to decline her claim was unfair.

Customer service and delays

The relevant industry rules require insurers to handle claims promptly and fairly.

Tesco has acknowledged delays and poor service between mid-July and October 2024 and offered Miss T £300 compensation for these.

Miss T has commented that Tesco had early knowledge that a police report had not been filed. She feels if that alone had made her claim invalid, it had a duty to reject it promptly or clearly instruct her on the required next steps.

I can see Miss T told Tesco that she hadn't filed a report with the police when she first notified it of her loss. Tesco says this was one of the reasons it was concerned about the validity of Miss T's claim. But it asked Miss T for further information and documentation to support her claim. While Tesco ultimately wasn't satisfied that Miss T had evidenced her loss, I don't think it was unreasonable for it to try to gain other information to validate the claim before declining it.

Tesco says it doesn't believe it's responsible for delays in the progression of Miss T's claim from February to mid-July 2024.

I can see Miss T explained she was having difficulty getting the information Tesco asked for. In March 2024, Tesco suggested she ask family or friends if they had photographs that might evidence that she owned the jewellery. Miss T provided photographs in April, but Tesco says it couldn't see the metadata so it asked Miss T to provide them again in a suitable format. Miss T responded to this in early May. After receiving a report from its suppliers, Tesco was concerned that Miss T might be underinsured, so it asked her to complete a contents checklist. It says this was received on 11 June 2024. After reviewing the checklist, Tesco concluded that Miss T was significantly underinsured.

I appreciate Tesco wanted to find out whether or not Miss T was underinsured. However, Miss T had provided all of the evidence she had to try to substantiate ownership of the items in early May and she'd given the circumstances of her loss much earlier in the claim. Tesco didn't inform Miss T of its decision to decline her claim until November 2024. So, I think Tesco could have made a decision about her claim much sooner than it did.

Given the high value of Miss T's claim, I think the uncertainty about whether or not it would be settled would have been particularly upsetting for her. So, I don't think Tesco's offer of £300 is enough to compensate her for the additional distress she experienced due to the delay in the progression of her claim. I think a total of £400 would more reasonably recognise the impact of Tesco's poor service on her.

Discrimination

Miss T says she's taken Tesco's handling of her case to be discriminatory based on correspondence between it and the loss adjusters. She says she found their comments inflammatory and belittling – ridiculing both her and the country she visited.

The Equality Act 2010 says a person must not be treated less favourably because of their race, (which includes colour, nationality and ethnic or national origins). Our service doesn't have the power to decide if the Equality Act 2010 has been breached. But I've taken the act into account when deciding whether Tesco has acted fairly and reasonably – given that it's relevant law.

Miss T has commented that her case was subject to prejudice and discrimination because of the country she travelled to due to a lack of understanding of cultural difference and how this impacts one's ability to adhere to requests such as reporting a crime. She says she was asked questions which were completely unrelated to her case such as whether she was aware that the UK government website suggested not to walk at night showing wealth. She says she had at no point advised she was walking anywhere at night nor was she making a show of wealth.

I appreciate Miss T feels that Tesco failed to recognise the difficulties she faced in reporting the alleged theft to the police. But I've already explained why I'm not persuaded that she was prevented from doing so. It's usual for insurers to require a police report to help substantiate a theft claim, particularly where the alleged loss is of as high value as this one. Given the value of the items Miss T says were stolen, I don't think it was unreasonable for Tesco to ultimately decide there wasn't enough evidence to validate Miss T's claim.

I can see Tesco asked Miss T if she was aware of guidelines that advise "*do not display signs of wealth such as expensive watches or jewellery, use caution when walking or driving at night*" in a letter sent to her in August 2024. It asked what measures, if any, Miss T took to mitigate the risk of a potential theft occurring.

I can understand why Miss T might feel that Tesco asked this question because it had a prejudice towards the country she was visiting. But I've referred to similar wording on the FCDO website about displaying wealth in my decision. It's generally not advisable to travel with a large quantity of high valuables on display in most big cities across the world. The terms of the policy required Miss T to "*avoid or limit any loss*". So, I don't think it was unreasonable for Tesco to ask Miss T about her awareness of the guidelines.

Putting things right

Tesco should pay Miss T £400 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Miss T's complaint and direct Tesco Underwriting Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 5 November 2025.

Anne Muscroft
Ombudsman