

The complaint

Mrs W complains about the amount Tesco Underwriting Limited (Tesco) has paid to settle the claim she made under her home insurance policy.

Mrs W is being represented in this complaint, but as Mrs W is the policyholder, and for ease, I've referred to her throughout.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events.

In February 2023 Mrs W's property was unfortunately burgled. Mrs W's personal possessions were stolen and her property was damaged and so she reported a claim to Tesco. In March 2023 Mrs W raised a complaint with Tesco as she was unhappy with the way her claim was being handled and that it didn't agree to pay for alternative accommodation. She also raised a complaint about the limits on her policy for her contents and valuables.

Tesco investigated Mrs W's complaint about her claim and issued her with a summary resolution communication in March 2023. On 5 April 2024 it issued Mrs W with a final response to her complaint about the limits on her policy. It said it was satisfied the policy limits had been agreed and appropriately explained to Mrs W when she took out the policy.

Mrs W referred her complaint about the way her claim was handled to this Service. Our investigator looked into things but didn't uphold Mrs W's complaint. This decision relates to the events which occurred following this.

Toward the end of 2024 Mrs W raised a complaint with Tesco about the way her claim had been handled. She was also unhappy she hadn't received a settlement for alternative accommodation.

On 17 December 2024 Tesco issued Mrs W with a final response to her complaint. It said it hadn't caused any delays in dealing with Mrs W's claim. It said the delays were caused by a lack of co-operation from Mrs W and the multiple loss assessors she had instructed to deal with the claim on her behalf. It also said it was correct not to pay alternative accommodation as this wasn't necessary. Mrs W referred her complaint to this Service.

Whilst her complaint was with this Service Tesco issued Mrs W with a settlement of around £25,500 for her claim. This settlement included costs for buildings, contents and valuables. Mrs W didn't agree with the settlement as she said many items hadn't been included. Her representative asked this Service to consider the settlement which had been issued. Tesco has agreed for this Service to consider this element of Mrs W's complaint.

Our investigator looked into things. She said she thought the settlement Tesco had offered was reasonable in the circumstances. She also didn't think Tesco had caused unreasonable delays during the claim.

Mrs W didn't agree with our investigator. She provided a detailed response but in summary she said:

- Tesco should have handled her claim in a much more sympathetic way.
- It wasn't reasonable for Tesco to refuse to deal with aspects of the claim, only saying the claim is exaggerated.
- Whilst her whole contents claim was valid, given the drawn out process of the claim, she is now focusing on specific high value items she thinks should be paid.
- Now she has sold the property she believes she should be reimbursed the amount she has suffered financially. She sold the property for £30,000 less than she could have done given the damage to the property.

I issued a provisional decision about this complaint and I said:

'I want to acknowledge I've summarised Mrs W's complaint in less detail than she's presented it. I've not commented on every point she has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mrs W and Tesco I've read and considered everything that's been provided.'

I also want to be clear about what I've considered as part of this decision. Since Mrs W referred her complaint to this Service, a number of the complaint points she raised have fallen away. Mrs W has asked this Service to consider a number of high value items she believes should be covered under her contents claim, and the loss of value of her property now she has sold it. So, this is what I've focussed my decision on. I've addressed the key points separately.

Settlement for contents

Mrs W submitted a claim for a number of items which she said were damaged during the burglary. Tesco has accepted a bookcase was likely damaged during the burglary and so has paid £1,000 toward this. But it hasn't agreed any further settlement for the contents Mrs W has claimed for. I've considered the specific items Mrs W has said should be covered.

Bookcase

Mrs W has claimed just over £9,000 for a bookcase which she says was damaged during the burglary. Tesco has accepted the bookcase was damaged but have paid £1,000 toward the cost of this bookcase. It has said it considers this to be a reasonable allowance to reflect the minimal damage against the items overall value.

The terms of Mrs W's policy explain Tesco will decide whether to reinstate, repair, replace or pay the cash value of contents. And if it decides to pay a cash value it will pay Mrs W either the amount by which the property has reduced in value due to the damage, or the estimated cost of repair.

I can see from the loss adjuster's final report that they don't believe the damage to the bookcase means it's beyond economical repair. And, based on the photographs of the damage, and value of the bookcase, this doesn't appear to be unreasonable. Whilst Mrs W has provided evidence of the cost of a replacement bookcase, I've not seen evidence the damage to the bookcase means it can't be repaired.

So, I think it would be reasonable for Tesco to pay a settlement based on the loss of value caused by the damage, or the estimated cost to repair. Tesco has paid Mrs W £1,000 as suggested by its loss adjuster, although I can't see this figure has been based on any specific appraisal of the item or estimate for repair.

I've not seen persuasive evidence Mrs W's bookcase can't be repaired, nor have I seen any evidence Mrs W is unable to have the item repaired for the settlement Tesco has paid. So, based on the opinion of the loss adjuster, and images of the damage, the settlement Tesco has paid appears to be reasonable. However, if Mrs W obtains further evidence to demonstrate the item can't be repaired for this amount, she should provide this to Tesco to consider.

Carpets

Mrs W has claimed for the cost of replacing the carpets in her property. She has said when the burglars broke into her property they have walked glass into the carpets meaning they required replacement. Tesco has said it doesn't consider this to be feasible and there was no evidence of this when the loss adjuster attended the property.

Tesco's supplier visited Mrs W's property in May 2023 and produced a report. In this report they suggested a carpet and rug clean should be attempted. The supplier visited again in 2024 and produced another report. In this report they have written:

'In my opinion, as back doors are safety glass and would have been smashed into tiny pieces, I believe carpets which have been walked through should be replaced as we cannot guarantee we can get all of the glass out of the carpets.'

So, based on the evidence provided, I'm persuaded Tesco should pay Mrs W a settlement for the replacement of her carpets. Its own supplier has confirmed the safety glass would have been smashed into tiny pieces and they couldn't guarantee the glass could be removed from the carpet. Given this supplier visited the property and has the appropriate expertise in the field, I find this to be most persuasive.

Mrs W has provided evidence she has paid £560 for replacement carpets in her property. So, I think Tesco should pay Mrs W an additional settlement of £560 toward the carpets she had replaced.

Chair and sofa

Mrs W has claimed for the replacement cost of a chair and a sofa which she says were contaminated with glass following the break-in. Tesco hasn't included a cost for either of these items as part of the settlement it has paid.

I've not seen any evidence the sofa has been contaminated with glass. Tesco's supplier hasn't commented on there being any glass contamination in the sofa and the photographs don't show there being any damage. As I've not seen any evidence of damage or glass contamination to the sofa, I think it's reasonable Tesco hasn't included a cost for the sofa as part of the settlement it has paid.

Tesco's supplier has written in their second report:

'I found glass in a chair in the lounge...'

The report also includes a photograph showing the glass found in the chair. So, I'm persuaded there was likely glass contamination to the chair Mrs W has claimed for.

However, I've not seen persuasive evidence this has meant the chair was beyond economical repair and so needed to be replaced. I think it would have been reasonable for the chair to be professionally cleaned in the first instance.

Mrs W has provided an estimate from a professional cleaning company who quoted her £30 to carry out a professional clean of the chair in the lounge. As I think there was likely glass in the chair as a result of the break-in, I think it's reasonable Tesco pay Mrs W the £30 she was quoted for the chair's professional clean.

Console table

Mrs W has claimed for the replacement cost of a console table she said was damaged during the break-in. Tesco has said whilst it's plausible the drawer of the console table was pulled out during the incident, it wouldn't necessarily damage the table.

Based on the evidence provided, I'm not persuaded it has been shown the table was damaged during the break-in, nor that it isn't repairable. I've reviewed the photographs provided by both Tesco and Mrs W, and I don't think this clearly demonstrates there is damage to the table caused by the thieves. Any damage to the table appears minimal and is just as likely as a result of wear and tear.

As I'm not persuaded the console table has been damaged as a result of the claimed for event, I don't think it was unreasonable Tesco didn't include this within the settlement it has paid to Mrs W.

Loss in house value

Miss W originally submitted a claim of around £95,000 for damage to her property she said was caused by the burglary. She later submitted a lower claim of around £63,000 for this damage. Tesco didn't believe all of the damage Mrs W was claiming for was caused by the burglary and has paid a settlement of around £9,500 for the items it believes were damaged.

Mrs W has since sold her property, but she has said she lost around £30,000 due to the outstanding damage on her property. She would like Tesco to reimburse her this amount.

At this stage I've not seen evidence Mrs W has sold her property for less solely as a result of outstanding damage to her property. But in any event, I don't think Tesco are responsible for any loss in value Mrs W is claiming for.

Tesco arranged for a surveyor to visit Mrs W's property to assess the damage and they have written a detailed report. In this report they have said they consider most of the items raised by Mrs W to be in excess of what would normally be considered in a break-in of this manner. They recommended the repair or replacement of seven items believed to be damaged during the break-in and recommended this would cost around £9,500 to rectify.

I think it was reasonable for Tesco to rely on the opinion of the surveyor when it settled Mrs W's buildings claim. The surveyor visited the property and has the relevant expertise in the field. And I've not seen evidence I find more persuasive to

demonstrate the additional costs Mrs W has claimed were due to the burglary. So, overall, I think the settlement Tesco has paid for damage caused to Mrs W's buildings is reasonable. It follows that I therefore don't think Tesco are responsible for any loss in value Miss W has said she experienced following her selling her property.

Mrs W said whilst she didn't agree with the provisional decision she would accept it. Tesco didn't provide any further evidence or comments to consider.

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.

As neither party has given me anything further to think about, I see no reason to reach a different outcome to the one I reached previously. So, I uphold Mrs W's complaint for the reasons I set out in my provisional decision.

My final decision

For the reasons I've outlined above I uphold Mrs W's complaint about Tesco Underwriting Limited. I require it to:

- Pay Mrs W an additional settlement of £590 for the replacement of her carpets and professional clean of her chair.
- Pay 8% per year simple interest on this amount calculated from the date Tesco Underwriting Limited initially paid Mrs W the settlement to the date it pays the additional settlement due.

If Tesco Underwriting Limited considers that it's required by HM Revenue and Customs to deduct income tax from that interest it should tell Mrs W how much it's taken off. It should also give Mrs W a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue and Customs if appropriate.

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

Andrew Clarke
Ombudsman