

The complaint

Mr M complains Tesco Underwriting Limited (Tesco) unfairly declined a claim he made on a motor insurance policy.

What happened

Mr M said his parked car was hit by a third party who admitted full liability for the incident. Mr M firstly made a claim for the damage to the third party's insurer, but he then made a claim to Tesco. Mr M complained about the time Tesco was taking to assess his claim. In its response of January 2025, Tesco said it had a number of concerns about the claim which needed to be investigated further and that it hadn't caused any unnecessary delays.

Unhappy with Tesco's response, Mr M came to our Service in March 2025 for an impartial and independent review. He said he'd been without the use of his car and wanted Tesco to pay the claim. In April 2025, Tesco declined the claim. It said the third party's insurer had completed a forensic inspection of the cars involved which confirmed the incident didn't happen as stated.

Tesco also listed further concerns about the circumstances of the claim including some previous claims which hadn't been disclosed when Mr M took out the policy. Tesco said it wouldn't pay any claims where fraud, including fake, exaggerated or misrepresented claims are presented. It noted Mr M's claim as a notification of loss and didn't renew the policy after it lapsed.

One of our Investigators looked into this matter and thought Tesco had declined Mr M's claim unfairly. In response to this, Tesco obtained the third party's insurer's full forensic report. Upon considering this report, another Investigator thought it was reasonable for Tesco to reject the claim. Mr M rejected these findings. As the complaint couldn't be resolved, it has been passed to me for decision.

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'm aware I've set out the background to this complaint in less detail than the parties have presented it. I'm not going to respond to every single point raised. Instead, I've focused on what I find are the key issues here. I assure both parties, however, that I've read and considered everything they've provided.

I thank Mr M for taking the time to explain his personal circumstances and everything that has happened since the incident involving his car. I recognise it was a difficult time for Mr M, and he has continued to feel the impact of this incident long after.

Fraud is a serious allegation. We expect an insurer, when alleging fraud has happened to be able to support its allegation with clear strong proof which shows its conclusion is fair and

reasonable. A list of concerns and discrepancies in accounts of events will rarely be seen to be sufficient to satisfy this Service that it's reasonable for the insurer to rely on a breach of the fraud condition within the policy to decline a claim.

I appreciate Mr M is frustrated by Tesco's conclusions on his claim. Mr M feels strongly that his evidence and version of events haven't been given proper consideration when assessing his claim. But we're not claim handlers. So as part of this decision it's not within my scope to say whether Mr M has acted fraudulently, or not.

When we investigate a complaint about an insurer's decision on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner. So, I've considered if it's fair and reasonable for Tesco to have applied the fraud terms to refuse Mr M's claim. Having done so, I think it is. I realise this will bring disappointment for Mr M, but I'll explain why. Tesco has relied on the following policy terms to decline Mr M's claim:

"Fraud

We will not pay any claim which is in any way fraudulent, such as fake or exaggerated. If you, any person insured under this policy, or anyone acting for you makes, or attempts to make, a fraudulent claim, the claim, and any subsequent claims, will be rejected, and your policy will be cancelled with immediate effect or voided (as if the policy never existed). We will not return any premium".

In support of its decision to decline Mr M's claim, Tesco has provided a report completed by an engineer instructed by the third party's insurer, covering inspections of both cars. I'm not able to share this report with Mr M as it's considered confidential. But I'm satisfied the engineer who completed it is suitably qualified to give an opinion on the nature and likely cause of the damage which was noted to both cars. In summary, the engineer has concluded that the damage seen on both Mr M's car and the third party's car isn't consistent with the circumstances described.

Given the above, and the other concerns Tesco highlighted in its decline letter of April 2025 about the circumstances surrounding Mr M's claim, I don't think it has acted unreasonably. Under the policy terms, Tesco was entitled to cancel Mr M's policy with immediate effect or void it. Instead, Tesco let the policy run until its renewal, so I don't think Tesco has treated Mr M unfairly here.

Tesco raised concerns with Mr M about the information he'd provided about the circumstances of the claim. I won't list all of those concerns here. But I have reviewed the correspondence between Mr M and Tesco, and I'm satisfied Tesco's inquiries were reasonable and in line with what we'd expect in the circumstances.

I recognise Mr M feels Tesco's investigation of his claim was poor and caused unnecessary delays. But I don't agree. We'd expect an insurer to investigate a claim to ensure that the policy terms have been met before any decision to pay the claim is made. Given the value of Mr M's claim and the concerns noted, I'm persuaded the level of scrutiny of Mr M's version of events was reasonable and proportionate to what we'd expect for a claim of this type.

This situation has clearly left Mr M feeling stressed, upset, and financially out of pocket. But I can't ask Tesco to pay for the claim, given what I've seen about the information provided and what the policy terms explained about when a claim could be declined. So, I won't be asking Tesco to take any further action in response to this complaint.

My final decision

For the reasons provided I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 29 December 2025.

Linda Tare
Ombudsman