

## **The complaint**

Mrs J complains that Tesco Underwriting Limited (“Tesco”) is responsible for mishandling a claim on her motor insurance policy.

## **What happened**

The subject matter of the insurance, the claim and the complaint is a sports utility vehicle, first registered in 2015. One of its features was a panoramic glass sunroof.

Mrs J acquired the vehicle in about 2020. She added a cherished registration number and a tow bar to it.

For the year from late June 2024, Mrs J had the car insured on a comprehensive policy with Tesco.

Mrs J reported to Tesco that on 3 August 2024, the car’s sunroof had cracked.

Tesco arranged a repair, which was done between 7 and 23 October 2024.

Much of the complaint is about acts, omissions and communications of the repairer on behalf of Tesco. Insofar as I hold it responsible for them, I may refer to them as acts, omissions and communications of Tesco.

By early December 2024, Mrs J had complained to Tesco that following the repair, there were issues with the tailgate.

On about 23 January 2025, an independent assessor reported that the repairer was responsible for incorrect repair of the sunroof and for causing issues with the tailgate.

From about 16 February 2025, Tesco’s repairer did rectification work on the car. Tesco arranged for a hire car for Mrs J.

In early April 2025, Mrs J complained to Tesco that its repairer hadn’t completed rectification work.

On about 8 April 2025, Tesco said it had completed rectification work.

By a final response dated 9 April 2025, Tesco turned down the complaint.

Mrs J brought her complaint to us in mid-April 2025. She included additional complaints about the rectification work and damage to the car.

By a final response dated 25 June 2025, Tesco said that, rather than continue to try to repair the car, it was treating it as a total loss. Tesco offered Mrs J £1,750.00 compensation and £80.00 for the cost of keeping the cherished number (a total of £1,830.00).

Tesco got trade guide valuations of the car as follows:

CAP	£ 8,725.00
AutoTrader	£10,733.00
Glass's	£11,400.00.

Tesco said that with optional extras, the car's pre-accident value had been £11,913.00.

For the year from late June 2025, Mrs J paid an increased premium.

*our investigator's opinions*

Our investigator recommended in July 2025 that the complaint should be upheld in part. The investigator thought that Tesco's award (of £1,750.00) fairly recognised the distress & inconvenience caused by their handling. However, he thought that the trade guide valuations were as follows:

Glass's	£15,730.00
CAP	£15,995.00
Percayso	£18,451.00
AutoTrader	£19,048.00.

He recommended that Tesco should:

1. settle Mrs J's claim based on the market value of £19,048.00, with any usual policy deductions – such as an excess – made as normal, and
2. pay Mrs J 8% simple interest per year, for a period starting four weeks after the claim was logged up to the date of the settlement, on the claim settlement above.

Mrs J and Tesco each provided further information. Our investigator changed his view. Our investigator no longer recommended in early September 2025 that the complaint should be upheld. He thought that the car's mileage at the time of the loss was 110,000. He found that Tesco's valuation of £11,913.00 was fair.

Mrs J made an additional complaint that Tesco had recorded a total loss claim on the Claims and Underwriting Exchange ("CUE") database, and her premiums had increased far more than she expected.

Our investigator didn't recommend in mid-September 2025 that such additional complaint should be upheld. He thought that any increase in the premium was a natural consequence of the fact that Tesco wrote off the car as it was entitled to do.

Mrs J disagreed with the investigator's opinions. She asked for an ombudsman to review the complaint.

*my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mrs J and to Tesco on 3 November 2025. I summarise my findings:

Tesco's valuation of £11,913.00 was about £400.00 higher than the highest trade guide figure. So I was satisfied that it was fair including the tow bar.

Tesco's payment of £1,750.00 was enough to be fair and reasonable in the circumstances and in line with our published guidelines for compensation for distress and inconvenience.

Subject to any further information either from Mrs J or from Tesco, my provisional decision was to uphold this complaint in part. I intended to direct Tesco Underwriting Limited to:

1. remove from CUE any record of the claim other than a claim leading to the costs it incurred up to 23 October 2024; and
2. write a letter to Mrs J confirming that it has done so.

Mrs J disagreed with the provisional decision (see "[Responses to the provisional decision](#)" below).

Tesco also disagreed with the provisional decision (see "[Responses to the provisional decision](#)" below).

### **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.

That includes the independent assessor's report and relevant phone calls.

The crack and the need to make a claim were, in my view, bound to cause Mrs J some distress and inconvenience. Also she wasn't entitled to a like-for-like courtesy car during the initial repair in October 2024.

However, I find that Tesco hadn't repaired the sunroof correctly and had caused damage to the tailgate. That wasn't fair.

Nevertheless, Tesco did what I would expect in instructing rectification works and providing a hire car. I accept that the hire car wasn't equipped for towing a caravan. The loss of opportunity to tow the caravan forms part of the issue of distress and inconvenience, which I will come back to.

I accept that Tesco was responsible for poor communication and some delay. The uncertainty and the need to chase for progress and updates also forms part of the issue of distress and inconvenience, which I will come back to.

Tesco eventually fixed the sunroof to the satisfaction of the independent assessor. However, it returned the vehicle to Mrs J with damage to the tailgate. So Mrs J had the vehicle taken back to Tesco's repairer.

Tesco tried to put things right by writing the vehicle off and paying Mrs J its valuation of £11,913.00 (less excess) and compensation of £1,830.00.

I accept that it was the additional damage rather than the glass claim that caused the write-off.

I've noted that the policy defined "market value" as follows:

*"The cost of replacing the car keys or any other ignition device, locks or child seats, audio/visual/electronic – manufacturer equipment on a comparable, like for like basis if cover is applicable under your policy or the car with one of the same or similar make, model and specification, taking into account the age, mileage and condition to determine the market value. We usually ask an engineer for advice and refer to motor trade guides and other relevant sources. We consider the amount you could reasonably have obtained if you sold the car immediately before the accident, loss or theft and not the price you paid for it."*

In any event, I find it fair and reasonable to assess Mrs J's financial loss for her vehicle by reference to the available evidence including the retail figures in certain trade guides.

I'm sorry that our investigator initially got the mileage wrong and got incorrect figures.

For Mrs J's vehicle, I find that the trade guide valuations for August 2024 were as follows:

CAP	£ 9,250.00
AutoTrader	£11,227.00
Glass's	£11,400.00
Percayso	£11,514.00

The evidence also included some adverts supplied by Tesco.

I haven't seen enough evidence of the extent to which the tow bar affected the value of the vehicle. Nevertheless Tesco's valuation of £11,913.00 was about £400.00 higher than the highest trade guide figure.

So I'm satisfied that it was fair including the tow bar. Notwithstanding the time between August 2024 and the write-off, I don't accept that Mrs J couldn't have afforded a replacement vehicle with a tow bar. And I don't find it fair and reasonable to direct Tesco to pay further compensation for financial loss of the value of her vehicle.

The unexpected write-off of the vehicle (and urgent need to get a replacement) forms another part of the issue of distress and inconvenience, which I will come back to.

Different insurers assess risk and set premiums in different ways at different times. Some insurers sometime place more weight on the existence of a claim rather than on its size.

In any event, I don't condone the information Tesco gave Mrs J about the effect of the write-off on her premiums. And I don't find it fair that Tesco should record the claim so as to suggest that Mrs J made a claim for any more than the costs it incurred up to 23 October 2024.

I now come back to the issue of distress and inconvenience. I don't underestimate the impact on Mrs J of the shortcomings I've found. I've thought about the nature and duration of that impact. That includes her distress at the impact on her husband.

Nevertheless, Tesco's payment of £1,750.00 is, in my view, enough to be fair and reasonable in the circumstances and in line with our published guidelines for compensation for distress and inconvenience. So I don't find it fair and reasonable to direct Tesco to pay any further compensation.

## Responses to the provisional decision

Mrs J says, in summary, that:

- The repairer said it had “baked” the car.
- The vehicle maker said this had damaged the wiring loom.
- This further damage led to the vehicle being written off.
- Tesco provided misleading information and hid evidence.
- The compensation awarded does not reflect the time, distress, and financial impact suffered.
- The premium increases should be reassessed following correction of the CUE record.
- The value of the vehicle would have depreciated from August 2024 – July 2025.

Where we uphold a complaint about unfair acts or omissions, we can't assess compensation at a level intended to punish or deter such acts or omissions. That is the case even if the act or omission is seriously unfair or even dangerous.

Rather we assess compensation by reference to the acts' or omissions' impact on the complainant. That may include a financial impact such as loss of a car and a non-financial impact such as distress and inconvenience.

Also, it's not our role to give advice to consumers or to businesses.

The valuation of £11,913.00 was for August 2024.

I accept that Tesco was responsible for the damage to the vehicle's electrical system. I also accept that Tesco was responsible for the repairer's unfair denials and the way it dealt with relevant evidence such as job sheets and fault codes. I don't condone that.

However, I can't agree that Tesco caused Mrs J a financial loss of the value of the vehicle because I've found that £11,913.00 was fair. I don't consider that Mrs J suffered a financial loss from depreciation after August 2024.

So I still don't find it fair and reasonable to direct Tesco to pay further compensation for financial loss of the value of her vehicle. (or therefore interest on it).

I wouldn't have found it fair and reasonable to direct Tesco to incur expenditure beyond £11,913.00 in a continued effort to repair the car. So I don't accept that Mrs J could reasonably have expected that – or could've chosen it if Tesco hadn't given her incorrect information about the effect on premiums.

I haven't seen enough evidence of what premium Mrs J is paying for the year from the summer of 2025. So I don't find it fair and reasonable to direct Tesco to compensate her for a financial loss caused by the claim being recorded as a large claim or a write-off.

As regards, non-financial loss, I've thought again about the impact on Mrs J. I'm still satisfied that £1,750.00 is enough to be fair and reasonable in the circumstances and in line with our published guidelines for compensation for distress and inconvenience.

I'm still minded to direct Tesco to remove from CUE any record of the claim other than a claim leading to the costs it incurred up to 23 October 2024. I'm still minded to direct Tesco to write a letter to Mrs J confirming that it has done so.

Mrs J may show a copy of that letter to her current motor insurer and ask it to re-assess her premium. She may also show the letter to any future motor insurer. I consider that those steps are fair and reasonable to try to put right any unfair effect on Mrs J's premiums.

Tesco says, in summary, that:

- It is unable to split dates on CUE and remove certain parts of the claim. The full claim either shows or it doesn't and the costs incurred don't make a difference to this.

I don't consider that it would be fair for Tesco to maintain a record of a claim leading to a write-off at £11,913.00, let alone a claim leading to an outlay of about £27,000.00. So, if it can't record the claim in the way I direct, then Tesco must not record the claim at all.

### **Putting things right**

I find it fair and reasonable to direct Tesco to remove from CUE any record of the claim other than a claim leading to the costs it incurred up to 23 October 2024. I also find it fair and reasonable to direct Tesco to write a letter to Mrs J confirming that it has done so.

Mrs J may show a copy of that letter to her current motor insurer and ask it to re-assess her premium. She may also show the letter to any future motor insurer. I consider that those steps are fair and reasonable to try to put right any unfair effect on Mrs J's premiums.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Tesco Underwriting Limited to:

1. remove from CUE any record of the claim other than a claim leading to the costs it incurred up to 23 October 2024; and
2. write a letter to Mrs J confirming that it has done so.

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

Christopher Gilbert

**Ombudsman**