

## The complaint

Mr S complains about the way Tesco Underwriting Limited ('Tesco') handled his contents insurance claim.

## What happened

Mr S raised a claim to Tesco in May 2025 and said while carrying out work involving CCTV wiring in his property, the wiring had caused burning damage to the carpet and a persistent smoke odour. He also believed the floorboards underneath had been affected and later said the smell had spread more widely, including to his bed, mattress, and base.

Tesco asked Mr S to provide photographs and quotes of the damage so they could assess the claim, and the images showed localised burning to the carpet gripper rod. Tesco later agreed to pay for replacement of the carpet in the master bedroom and settled this part of the claim based on the quotes provided by Mr S, minus his policy's excess. Tesco also went on to reimburse the cost of replacing the bed and mattress, and also agreed to contribute towards the mechanical base, although they said they hadn't been able to validate that item fully because it had already been disposed of. In total, Tesco paid just over £10,000 for the damaged items Mr S claimed for.

Mr S remained unhappy with how Tesco had handled the claim and raised a series of complaints. He said Tesco hadn't properly considered the extent of the smoke damage, including to the floorboards and the wider room, and said they should have attended his property to inspect the damage properly rather than relying on photographs. He also raised concerns about the way his claim had been handled, including delays in communication and the impact this had on him and his family, as well as his disabilities.

Tesco considered the complaints and issued final responses in July 2025. They said they had settled all parts of the claim where damage had been evidenced but said the photograph provided didn't show damage to the floorboards. They also said some of the items they had paid for hadn't been covered under the policy terms, but they had agreed to settle them in any event as a gesture of goodwill. But Tesco did acknowledge that their communication could have been better at times and offered a total of £350 compensation for service issues. Mr S remained unhappy with Tesco's handling of his claim and brought the complaint to this Service.

An Investigator looked at the complaint but didn't recommend it should be upheld. The Investigator concluded that Tesco had acted fairly in settling the claim based on the available evidence and said Tesco had already paid a reasonable amount, including for items they may not have been obliged to cover due to the policy's terms. The investigator also thought the total of £350 compensation fairly reflected any service issues Mr S had experienced. Ultimately, the Investigator didn't think Tesco needed to do anything further.

Mr S didn't agree with the Investigator's conclusions. He said he had been told during the claim that the damage would be covered and felt this amounted to the verbal promise which Tesco hadn't complied with. Mr S also maintained that smoke damage wasn't visible and couldn't be properly evidenced through photographs and that Tesco should have carried out

a site inspection of his property. He maintained the outcome was unfair and that his concerns, including the impact on his health and personal circumstances, hadn't been properly taken into account.

Mr S asked for an Ombudsman to consider the complaint – so, it's 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, while I was sorry to hear about the struggles Mr S experienced while dealing with this claim, I've decided not to uphold this complaint.

I can see that Tesco did not decline the claim altogether; instead, they accepted parts of it and made payments totalling just over £10,000. And they also paid £350 for service issues. So, that means the issue for me to decide is whether Tesco handled and settled the claim fairly.

I can see Tesco asked Mr S to provide photographs and quotes so they could assess the damage he was claiming for. While I can see Mr S said Tesco should have conducted a site visit at his property, I'm not satisfied Tesco's actions were unfair. Validating claims in the way Tesco did here is a common and reasonable approach and the images provided showed localised burning to the carpet gripper rod which Tesco settled based on the quotes Mr S submitted. They also went on to reimburse the cost of replacing the bed and mattress and later agreed to contribute towards the bed's mechanical base. I know Tesco said they hadn't been able to fully validate that item because it had already been disposed of, but they agreed to settle it in any event which I'm satisfied was reasonable in the circumstances.

But Mr S said the damage was more extensive, including to the floorboards and the wider room, and he said the smoke odour had spread. While I acknowledge what Mr S has said, I don't think Tesco acted unfairly here, and I haven't seen persuasive evidence that demonstrates the floorboards were damaged as part of this incident. The photographs I've seen do not show visible damage to the floorboards, and so I think it was reasonable for Tesco to rely on that evidence when assessing the claim. I can also see Tesco said they would be willing to reconsider this part of the claim if further evidence showing damage to the floorboards was provided, which I think was a fair position for them to take in the circumstances.

I acknowledge Mr S's point that smoke damage isn't always visible. But even taking that into account, I would need to be satisfied that damage occurred which Tesco should fairly have paid for under the policy terms. But based on what I've seen, I'm not persuaded that has been demonstrated here. As the Investigator has previously set out, the policy excludes *"damage caused by smoke that happens gradually over a period of time"*.

I've also considered Mr S submission that he was told during the claim that the damage would be covered under the policy, and he feels this amounted to a verbal promise which Tesco did not honour. I've considered this point carefully, but from what I've seen, these discussions were made in the context of the claim being reported, and there would still need to be evidence provided in order for the claim to be assessed and validated. Ultimately, I'm not satisfied Tesco's initial comments around what would be covered amounted to a guarantee that all aspects of the claim would be paid regardless of the policy's terms or available evidence Mr S submitted. I also need to consider that, ultimately Tesco did go on to settle significant parts of the claim, including some elements they said hadn't been able to

be fully validated. So, I'm not persuaded the available evidence demonstrates Mr S was treated unfairly as a result of the way Tesco handled the claim.

Finally, I've looked at how Tesco communicated with Mr S and handled the claim overall. The relevant rules and industry guidance say Tesco should handle claims promptly and fairly. So, I've started by looking at the timeline of events and the actions Tesco took in response to Mr S's claim. I can see Tesco acknowledged that their service fell short at times, and they offered a total of £350 compensation. So, because Tesco has already confirmed their handling could have been better at times, I don't need to make an extended finding on whether or not they acted unfairly here. Instead, I need to decide whether their compensation award is enough to put things right.

I recognise this situation was distressing for Mr S, particularly given his personal circumstances and disabilities. But I haven't seen anything that persuades me Tesco treated Mr S unfairly. Additionally, given Mr S's submissions over what he considered to be discrimination due to his race, I've considered the available evidence provided by both parties. While I can understand how upsetting it would have been to deal with an active insurance claim given Mr S's disabilities; I've not seen anything to persuade me that Mr S's race was part of the decision-making process of the claim or was a factor in any subsequent delays in concluding the claim.

Overall, I think the total compensation award of £350 is fair and reasonable and is in line with the level of compensation appropriate to the impact Tesco was responsible for. And I am satisfied this award of compensation produces a fair and reasonable outcome to this particular complaint. Tesco has already raised £100 following their final response on 8 July 2025, but the remaining £250 offered on 17 July 2025 hasn't yet been accepted. So, Tesco should raise this sum to conclude things.

### **My final decision**

For the reasons given above, my final decision is that Tesco Underwriting Limited should pay Mr S £250 compensation to conclude the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 May 2026.

Stephen Howard

**Ombudsman**