

The complaint

Miss K complains that Tesco Underwriting Limited (“Tesco”) mishandled her claim on a motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a sports utility vehicle, first registered in 2012.

Miss K says that she acquired the car in April 2021.

By mid-August 2024, the car had a cherished registration number appropriate for Miss K’s name (and dating from about 2004).

For the year from mid-August 2024, Miss K had the car insured on a policy with Tesco. She was the policyholder. The policy also covered a male named driver.

Miss K reported that in early February 2025, someone had stolen the car. Tesco asked her to send it certain information. Miss K sent Tesco some information.

By May 2025, Miss K had complained to Tesco that it had said it wouldn’t progress her claim unless she provided further evidence of her purchase of the car.

By a final response dated 21 May 2025, Tesco turned down the complaint.

Miss K brought the complaint to us in mid-June 2025.

our investigator’s opinion

Our investigator didn’t recommend in early August 2025 that the complaint should be upheld. He didn’t think that Tesco had done anything wrong.

Miss K disagreed with the investigator’s opinion. 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 Miss K and to Tesco on 23 December 2025. I summarise my findings:

I was minded that Tesco treated Miss K unfairly by declining to deal with her claim on the grounds that she hadn’t provided enough evidence of how she raised the money and bought the car.

Subject to any further information either from Miss K or from Tesco, my provisional decision was to uphold this complaint in part. I intended to direct Tesco Underwriting Limited to reconsider Miss K’s claim.

Miss K disagreed with the provisional decision in part (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.

Tesco asked for evidence of purchase of the car. Tesco later asked for evidence of cash movements at the time of purchase of the car. Miss K struggled to recall and recount how she got together the money to buy the car.

In my view, Miss K was required to show that she owned the car. One way of doing that would've been for her to provide evidence of cash withdrawals.

However Miss K has shown us evidence that the previous owner paid for servicing in September 2020 and an MOT test in October 2020 and that Miss K paid for servicing including in April 2023 and an MOT test in April 2024. I find that evidence and the V5 documents are consistent with Miss K's ownership of the car between 2021 and early 2025.

Moreover, there's no evidence that anyone else has made a claim to be the owner of the car during that time. So I consider that Tesco treated Miss K unfairly by declining to deal with her claim on the grounds that she hadn't provided enough evidence of how she raised the money and bought the car.

Responses to the provisional decision

Miss K says that the theft was deeply distressing. I accept that. However, Tesco is not responsible for compensating her for that.

Miss K wishes us to direct Tesco to pay her claim. However, where an insurer has declined to deal with a claim on grounds that we find unfair, we often direct the insurer to reconsider the claim. That's what I find it fair and reasonable to direct Tesco to do in Miss K's case.

I've thought about directing Tesco to pay interest at our usual rate insofar as its reconsideration results in a payment to Miss K. However I don't consider that such a direction would be fair and reasonable because I consider that Miss K has been responsible for the delay in providing, through us, enough evidence of ownership of the car.

Miss K also says that without an insurance payment, she couldn't afford to get a replacement vehicle. I accept that.

She also says that the extended delay has caused significant stress, anxiety, and emotional harm over the past year.

However, I've found that Miss K struggled to recall and recount how she got together the money to buy the car. So I don't find it fair and reasonable to direct Tesco to pay her compensation for loss of use of a vehicle or interest or compensation for distress and inconvenience.

Miss K also says that she has tried to get insured to drive a friend's car but has found out that Tesco has recorded the theft claim and created a negative impact on her score.

However, Miss K hadn't until recently found out about how Tesco had recorded the claim. She hadn't complained to Tesco about that before its most recent final response. Our investigator didn't investigate that complaint and under the Financial Conduct Authority's dispute resolution rules, I can't deal with it in this decision.

What I will say is that it's common practice for an insurer to record an open claim or a fault claim unless and until it recovers its outlay, typically from a liable third party.

Tesco says that it has a duty under anti-money laundering legislation to ensure that it is dealing with claims properly. However, Tesco has not persuaded me that legislation requires it to investigate the source of funds for a vehicle before settling a total loss claim. Rather, I consider that Tesco should focus on ownership of the vehicle.

Tesco says that the only proof of purchase provided is a handwritten receipt, which is not considered an acceptable form of evidence as this could have been written by anyone.

Tesco also says that Miss K previously said that her ex-partner also contributed towards the purchase, yet she provided statements inconsistent with this. Tesco says that bank statements showing the transfer of funds from her mother and daughter would be considered satisfactory evidence.

However, Tesco has provided no answer to my point that there's no evidence that anyone other than Miss K has made a claim to be the owner of the car at the time of its theft.

Putting things right

So I find it fair and reasonable to direct Tesco to reconsider Miss K's claim.

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 reconsider Miss K's claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 17 February 2026.

Christopher Gilbert

Ombudsman