

The complaint

Mr T complains about the way Tesco Underwriting Limited (Tesco) dealt with a claim he made under his motor insurance policy.

What happened

Mr T was involved in an accident with a third party in April 2025. He initially contacted Tesco to report the accident but said he wouldn't be making a claim as he was thinking of settling the matter with the third party directly. So, Tesco noted the claim as a notification only. In June 2025, Mr T confirmed he wanted to claim on his policy and complained about Tesco not obtaining evidence to defend his claim such as CCTV footage. He said Tesco's lack of investigation unfairly prejudiced the outcome of his claim.

In its response to the complaint, Tesco said it had dealt with Mr T's claim correctly. Unhappy, Mr T referred his complaint to our Service for a review. Our Investigator didn't think Tesco needed to investigate the claim until Mr T confirmed he wanted to make a claim and by that point, any CCTV would no longer be available. But she recommended Tesco pay Mr T £200 compensation to recognise the distress and inconvenience caused by some inaccuracies in its final response letter.

Tesco accepted the Investigator's view but Mr T didn't. In summary, he said our Service's precedent confirms that insurers must act proactively once notified of an incident, even if the policyholder is unsure about claiming. He also said Tesco failed to warn him that footage might be lost.

As Mr T didn't agree with the Investigator, the complaint'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, I've decided to uphold Mr T's complaint in part and I'll now explain why.

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.

Firstly, I'd like to explain that it isn't our Service's role to say who's at fault for causing an accident. This is the role of the courts. Our role is to look at whether Tesco has handled the claim promptly and fairly as required by the industry rules.

I'm aware Mr T is concerned about the way this claim is ultimately settled as he doesn't feel he was at fault for the accident. At this stage, the liability aspect of Mr T's claim is ongoing,

and so I'm not in a position to comment on how Tesco will settle the matter. If Mr T is unhappy with the way his claim is eventually settled by Tesco, he can look to raise this as a separate complaint. In this decision, I'm only considering Tesco's handling of Mr T's claim up until it issued its final response letter of August 2025.

Mr T is unhappy Tesco didn't investigate and obtain CCTV footage from the scene when he notified them of the accident. However, it's not unreasonable for an insurer to not carry out any investigations when a policyholder reports an accident as notification only. Insurers cannot pursue a third party if they have no claim costs to recover from them.

As Mr T made clear he didn't wish to claim and it hadn't been contacted by the third party either, there wasn't anything for Tesco to do other than to record the accident as 'notification only'. And having listened to the call Mr T had with Tesco on 25 April 2025, I'm satisfied Tesco made clear to Mr T that it wouldn't do anything unless he wanted it to contact the third party to make a claim for the damage that's occurred in his car.

Mr T has said Tesco failed to warn him that footage might be lost. But I disagree. I say this because during the call of 25 April 2025, Mr T said the following:

"I'm saying in three months' time. I'm not going to pay you anything and I decide to make a claim, right? So, then Tesco starts investigating. I assume they look at CCTV. But I was just thinking with CCTV and so on, they'd probably be deleted by them, for example".

Tesco explained most companies keep CCTV for one month and that if Mr T wanted to recover it, he needed to decide whether or not he wanted to claim within the next couple of weeks so that it had a chance to obtain it. I'm therefore satisfied that Mr T himself seemed to be aware that CCTV gets deleted after a certain time period and Tesco explained it's usually retained for one month. It's clear to me from Mr T's own statement above that he was also aware that Tesco wouldn't start investigating until he decided to make a claim.

Mr T has also said our Service's precedent says insurers must act proactively once notified of an incident, even if the policyholder is unsure about claiming. However, each complaint brought to us is determined on its own merits and we don't have a system of precedent; although we do endeavour to be consistent. My role as an Ombudsman is to consider the individual complaint in front of me, and to decide whether something has gone wrong. I'm required to reach a decision that is fair and reasonable on that complaint.

For the reasons I've explained above, I'm satisfied Tesco provided Mr T with clear, fair and not misleading information to enable him to make an informed choice about how to proceed. So, I think Tesco handled Mr T's reporting of the accident fairly and in line with what I would expect. Tesco didn't need to start any investigations until Mr T contacted it again in June 2025 to confirm he wanted to claim on his policy.

Lastly, I think the £200 compensation recommended by the Investigator is fair, reasonable and proportionate to reflect Tesco's inaccuracies in its final response letter and the upset it caused Mr T. I can appreciate Mr T's frustration with Tesco stating that he claimed, withdrew the claim, and then re-opened it when that wasn't the case. I think this amount is fair and in line with what I'd direct in the circumstances.

My final decision

My final decision is that I partially uphold this complaint in part. I require Tesco Underwriting Limited to pay Mr T £200 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 May 2026.

Linda Tare
Ombudsman