

The complaint

Mr R complains that solicitors appointed by Tesco Underwriting Limited haven't recovered his uninsured losses following a claim made on his motor insurance policy.

What happened

Mr R said his car was side-swiped by another vehicle on a motorway, but the other driver had failed to stop. Mr R had contacted the police, which didn't take any action. And he contacted Tesco to make a claim on his policy. Tesco contacted the other driver's insurer, but it didn't respond. Mr R's car was repaired.

Tesco then instructed solicitors to take the matter to court to recover its outlay and Mr R's uninsured losses. But the solicitors said it wasn't able to proceed with the legal action because Mr R hadn't provided the documents it required for court. Tesco closed the claim as non-fault and allowed Mr R's No Claims Discount (NCD). Mr R was unhappy that his uninsured losses hadn't been recovered. He wanted them paid, with interest.

Our Investigator didn't recommend that the complaint should be upheld. He explained that we couldn't look into the specific actions of the solicitors in a legal capacity as that was a matter for the Legal Ombudsman. But he could look into whether Tesco acted fairly and reasonably when it instructed and communicated with the solicitors to progress the claim, and when it communicated with Mr R to update him about its progress. And he thought Tesco had acted fairly and reasonably in updating Mr R and prompting him to provide the solicitors with the documents it requested.

Mr R replied that he had provided Tesco and its solicitors with three detailed incident statements. He was unhappy that the matter hadn't been taken to court. And this meant he'd lost the opportunity to recover his policy excess and additional repair costs. As Mr R didn't agree, the complaint has come to me for a final 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.

It's nearly two years since the incident on the motorway. Mr R has described what happened and he's adamant that the other driver was at fault. And I can understand that Mr R feels frustrated that he's out of pocket for his £550 policy excess and that he's had to pay for some repairs to his car that weren't covered by the claim. These are his uninsured losses. Mr R has helpfully provided a timeline of events, and I have considered this and Tesco's file.

As Mr R knows, Tesco has a responsibility to progress claims fairly and promptly. So I have considered the claim journey, and the actions Tesco took to assist Mr R to recover his uninsured losses.

From what I can see, Mr R was able to provide Tesco with the number plate and details of the other vehicle. So Tesco used these to identify the vehicle's owner and insurer. It sent its allegations to the insurer the day after the incident, but it didn't receive a response. Tesco sent two chasers seeking an admission of liability and reimbursement of its outlay for the repairs to Mr R's car. But still no response was received.

Tesco then instructed solicitors to threaten court action to resolve liability and to recover Tesco's outlay and Mr R's uninsured losses. Mr R agreed to attend court. The other insurer provided a defence not accepting liability which was sent to Mr R. The solicitors decided to take the matter to court for judgement. And Tesco closed its claim as non-fault and allowed Mr R's NCD, even though it hadn't recovered its outlay. Tesco told Mr R that he would now need to communicate and co-operate with the solicitors to recover his uninsured losses.

I'm satisfied that Tesco progressed the claim promptly and fairly up to this point, when the claim was closed. I can't reasonably hold it responsible for the other insurer's delays in providing a response to its allegations. So I think Tesco acted fairly and reasonably when it progressed and closed the claim and left the matter in the hands of its solicitors.

We have an approach where a consumer complains about the service they've received from a solicitor appointed by the insurer. Where the solicitor was appointed to recover the insurer's outlay (and sometimes the consumer's excess as well) or to defend a third-party claim against the consumer, we consider the insurer to be responsible for the actions of the solicitor.

This is because the solicitor is acting for the insurer in carrying out the contract of insurance or doing something that is ancillary to this. But we can only look at the actions of the solicitor as far as they relate to the performance of the insurance contract. We can't comment on the actions of the solicitor that are to do with the running of the legal claim.

The solicitors abandoned the case some eight months later because it said Mr R hadn't provided requested documents in a court compliant format. As stated above and as our Investigator has explained, I am unable to consider the actions of the solicitors in progressing the legal claim against the other insurer. And so I can't say whether Mr R provided the documents it requested or whether it should then have abandoned the claim.

But I can consider Tesco's communication with the solicitors and Mr R during this period. I can see from its file that Tesco kept in touch with the solicitors to understand the progress of the case and to update Mr R. The case was eventually listed for a hearing and Tesco gave Mr R the date for this. Tesco told Mr R on two occasions to deal directly with the solicitors and to provide it with the requested information to progress the claim.

Mr R sent Tesco his statement and Tesco forwarded this to the solicitors promptly. Tesco then asked Mr R to get in contact with the solicitors with a deadline after which the case would be discontinued. After this date had passed, Tesco then told Mr R that the solicitors had abandoned the court action because Mr R hadn't provided the necessary documents.

So I'm satisfied that Tesco kept Mr R updated, that it passed his documents to the solicitors promptly, and that it warned him that the case would be abandoned if he didn't provide the requested documents. So I'm satisfied that Tesco acted fairly and reasonably, and I don't require it to do anything further.

Solicitors are not regulated by the Financial Conduct Authority, so I can't consider its actions when carrying out a legal role in pursuing the case. But Mr R can complain to the solicitors and, if he remains unhappy with its response, then he can take his complaint to the Legal Ombudsman Service if he so wishes.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 9 March 2026.

Phillip Berechree
Ombudsman