

The complaint

Mr and Mrs H's complaint is about the handling of a motor insurance claim by Tesco Underwriting Limited.

What happened

In February 2024, Mr and Mrs H's car was damaged in a storm. Tesco agreed the cost of the repairs were covered under their policy and the car was taken to one of its repairers.

The car was with the repairer from February to July 2024. However, when it was returned to Mr and Mrs H in July 2024, it had not been repaired properly. Mr and Mrs H complained and Tesco arranged for the car to be independently assessed. The assessor agreed that the standard of repairs was not satisfactory and that the roof liner, which had been damaged by the repairer when trying to refit it, also needed to be replaced.

Tesco provided a final response letter to the complaint in August 2024, confirming it agreed the car would be properly repaired. However, Mr and Mrs H were not happy with the response to their complaint and said they'd had to hire a car for the time their car was in the garage and should be reimbursed for this. Mr and Mrs H provided an invoice for the hire of an economy size car from March to April 2024. It is not entirely clear, but it appears a courtesy car was provided from April 2024 to July 2024.

The car was returned to the repairer in early August 2024. Mr and Mrs H asked for a courtesy car and said the economy size car offered was not reasonable, as their car was a large SUV and they needed like-for-like. A suitable courtesy car was not provided, so Mr and Mrs H say they hired one again from 23 August 2024.

The repairer said the roof liner was on back order and would not be available for several months. It was therefore agreed that Mr and Mrs H would source the roof liner themselves and fit it. I understand they were able to source this part a couple of weeks later and Tesco paid them for that.

On 24 October 2024, Mr and Mrs H were told the rest of the rectification work had been completed, apart from the roof liner and headlights. Mr H inspected the car and said most of the issues had still not been dealt with.

The car was independently assessed again on 7 November 2024. The assessor confirmed that most of the issues previously identified had still not been dealt with, so the car was not ready to be signed off.

Mr and Mrs H complained again. It was agreed that an estimate would be obtained for the work required, and as there was no progress with the work required Mr and Mrs H asked that the car be taken to a different repairer. It was agreed the car would be moved to a different repairer in January 2025. However, the repairs were still not carried out.

On 11 April 2025 another independent assessment was carried out. It confirmed and set out the remedial work still required. Tesco had this costed and made an offer of cash in lieu, so

Mr and Mrs H could arrange the repairs themselves, of £7,067.22 for rectification of the poor repairs carried out by the first repairer (which Tesco says would be charged to the repairer) and £1,878.20 for supplementary repairs that should have been carried out as part of the original repairs. This is in addition to £1,870.84 already paid for the headliner.

Tesco also said that due to the time taken, the MOT had run out, so it would have the car delivered to Mr and Mrs H by recovery vehicle.

Mr and Mrs H accepted the offer on 15 April 2025 but payment was not made until several weeks later. The car was returned to Mr and Mrs H in May 2025.

Mr and Mrs H are very unhappy with the handling of the claim. They say they were not provided with a suitable courtesy car, so they had to hire one for the entire period from 23 August 2024 to end May 2025. They have provided four invoices for this period (totalling £12,117.70), which they want reimbursed, as follows:

1. 23 August 2024 to 31 October £3,473.46
2. 1 November to 31 December 2024 £2,398.88
3. 1 January to 28 February 2025 £2,440.24
4. 1 March to 31 May 2025 £3,805.12

Mr and Mrs H also say they were repeatedly told the car would be ready to collect, so Mr H took time off work to do so but each time he was told it was not ready, or the repairs had not actually been done. Mr H says he has lost earnings at his daily contract rate, totalling £5,440.00. They have also had to continue paying the car loan of £344 per month for a car they couldn't use and want this reimbursed, as well as compensation for the inconvenience.

One of our Investigators looked into the matter. He said that as there was no evidence that Tesco had offered a courtesy car, it should pay the hire car costs in invoice 1 above, but that the issues after this would have to be a separate complaint. He also recommended that Tesco pay Mr and Mrs H the sum of £300 compensation for the trouble caused by the handling of the claim, as he agreed there had been unnecessary delays in the repair.

Tesco did not accept the Investigator's assessment, so the matter was passed to me. It says it paid the first hire car invoice (March to April 2024) without investigation but the other invoices it has investigated and does not think they are justified. Tesco says it has checked the insurance records for the vehicle registration that Mr and Mrs H said they'd hired and said it was not insured for the entire period claimed for (or at times had dual insurance on it) which casts doubt on whether it was hired for that entire period.

Tesco has also provided a recording of a call in which a courtesy car was offered to Mr H and he rejected it. Tesco says Mr H refused a courtesy car on several occasions. Tesco says it has paid for the remedial work and the roof liner, it is not liable for delays in getting back-ordered parts and that remedial work could not be carried out because Mr H would not let this happen.

As this was new evidence, the call recording was provided to Mr and Mrs H. They say that Mr H told Tesco he would be hiring a vehicle and would bill Tesco and that was its chance to object but it didn't. They also said that no registration number of a vehicle is on the invoices provided and the hirer has a trader's policy covering all vehicles and Tesco can talk to them about the insurance.

Tesco has confirmed that it agrees that the additional hire car costs and events after the matters considered in its final response letter in December 2024 all relate to the same complaint – failure to properly repair the vehicle within a reasonable time - and so it has

confirmed it agrees that the additional hire car costs post December 2024 can be considered. I agree with this. Therefore, I am considering the entire period until the car was returned to Mr and Mrs H in May 2025.

I previously issued a provisional decision on the matter. I considered that Tesco should reimburse all the hire car costs incurred by Mr and Mrs H and pay compensation. I have copied my provision findings below:

“Repairs

The car first went in for repair in February 2024 and was returned to Mr and Mrs H in May 2025, with many of the necessary repairs still outstanding and repairs that had been carried out needing remedial work. So, Mr and Mrs H were without their car for around 15 months and still had to arrange significant repairs themselves. Some of the repairs were still outstanding from the original incident in February 2024 and some were to rectify the poor workmanship of the repairer appointed by Tesco.

Tesco does not accept any responsibility for the time taken, or for the fact the car was still not in its pre-accident state when finally returned to Mr and Mrs H.

It says Mr H could have taken the car back, as it was driveable, once the headliner was paid for at end October 2024. So it does not accept it is responsible for any delays after this point. And it says that the fact that the poor workmanship on the paintwork and bodywork repairs were not done is effectively irrelevant because there was a delay in being able to get the roof liner, so the car could not have been returned until that was available anyway.

I do not agree this is acceptable. I have seen no reason for the time taken between February and July 2024 and no good reason why the rectification and repairs had still not been done by May 2025. Even if I accepted that the roof liner could not be obtained without a significant wait, the other repairs should have been done in a reasonable time. I cannot see any potential reasonable argument as to why they could not have been done within a few weeks of the repair having the car.

While I note that Tesco did ask in October 2024 if Mr and Mrs H wanted the car back while the outstanding matters were pending, I do not think it was unreasonable for Mr H to refuse this.

In addition, it also seems to me that the roof liner was obtainable sooner. The roof liner was discovered to be damaged when the car was initially returned to Mr H in August 2024. Mr H was invited to source this himself. Initially, I note he thought if the repairer couldn't source it then he would have the same trouble but it seems he was able to source ... [one] within a couple of weeks of trying. I have seen no explanation why the repairer or Tesco could not have sourced this themselves in the same way.

Having considered this all very carefully, while I accept Tesco is not responsible for parts not being available, I am not persuaded this was the main cause of the delays in repairing the car properly within a reasonable time.

It seems to me that Tesco should have been much more proactive with the repairers when it was aware of the delays and poor workmanship by the appointed repairer.

In addition, Mr H got his own estimate for the outstanding repairs in November 2024 and I can see that Tesco asked the repairer to agree the costs and to provide a like-for-like replacement car to Mr H for the duration of the repairs by Mr H's chosen

repairer. However, it seems to me that this would have added to the time taken. Whether Tesco has the right to recoup any additional costs from the first repairer for not doing the job properly is a matter for it to resolve, it should not impact Mr and Mrs H. I think Tesco should have just arranged this and Mr and Mrs H should not have had to wait while it negotiated with its approved repairer.

Having considered everything very carefully, I have not seen any persuasive evidence that the initial repairs that were the result of the initial insured event would reasonably have taken more than say 4-6 weeks. The roof liner added some delay but this was required because the original had been damaged by the repairer when refitting it. I have seen no evidence that this was unavoidable. The repairer was acting for Tesco in this matter, so I do think Tesco is responsible for the majority of the time taken to deal with the repairs. It is appropriate that it pay compensation for the trouble this caused and reimburse any financial loss as a direct result as well. I will now go on to consider what those losses are.

Cost of courtesy car

The policy does provide for an economy sized courtesy car. It appears one was not provided initially and Tesco agreed to pay an invoice Mr and Mrs H provided for a rental car from 1 March to 22 April 2024. It appears that a courtesy car was provided from April to July 2024. I understand Mr and Mrs H therefore had use of a small economy size car for this period.

Tesco says it offered a courtesy car again when the car went back to the repairer in August 2024 and it was refused.

I have listened to the recording of a telephone call on 4 September 2024 provided by Tesco. Mr H called to see what was happening with the car. He was told an inspection was being arranged and that there'd be more delay. Mr H was not happy with this and spoke about needing a vehicle. Tesco did offer a courtesy car but said it would be a small car. Mr H said he didn't want a small car as his was an SUV and it was causing difficulty not having a like-for-like car. Tesco discussed that the original hire car was a small car but Mr H said it was far too small and that he had hired another vehicle.

So, the call recording confirms Mr and Mrs H had been offered a courtesy car but it would have been a small vehicle, which was not ... suitable. While I note they hired a small economy vehicle initially, and they were only entitled to a small car under the policy, given the time they were without their car I don't think it would have been reasonable to insist on small car for the entire period. I do not therefore consider it was unreasonable of Mr and Mrs H to arrange for a like-for-like car to use while theirs was with the repairer.

In addition, I note that Tesco told the approved repairer that they should be providing Mr and Mrs H with a like-for-like car given the delays and problems with the repair, so it is disingenuous of Tesco to insist they were only entitled to a small car when it has been asked to meet the cost itself.

Having considered everything carefully, I think Mr and Mrs H were entitled to a reasonable like-for-like replacement vehicle for the period they were without their car from August 2024 to May 2025. I am not persuaded that Mr and Mrs H refused a reasonable courtesy car. It appears most of the time a courtesy car was not offered and when it was, it was not a like-for-like. While the policy provides for a small car, I think they required like-for-like and given I think Tesco is responsible for the

considerable delays it is responsible for this.

I have therefore gone on to consider the evidence provided about the hire cars, including the invoices provided and the comments Tesco has made about the insurance of hire car.

Tescos essentially does not accept the hire costs claimed for have been proven and questions the veracity of the invoices.

Mrs H confirmed in an email to Tesco on 13 May 2024 that the hire car was being provided by a local business that Mr H was working with, which had a spare business car, so there was no formal rental agreement.

Tesco considers this to be suspicious but I have seen no reason to doubt what Mr and Mrs H have said about this. I think they took reasonable steps to mitigate their loss and the daily hire rates do not seem unreasonable.

Tesco checked the insurance record for one registration given. It says the car was not insured from 25 August to 7 September 2024, 10 September, 14 or 15 September 2024 and that it had dual insurance for other dates in the period of the invoice 1 set out above.

However, I can see from the invoices that Mr and Mrs H had different cars at different times and the registration numbers are not detailed on the invoices. Mr and Mrs H apparently gave a registration number to Tesco at end 2024 but it is not clear which period of hire they had that registration car. On the evidence currently provided, I do not therefore consider that Tesco has established that the invoices are not valid, or that Mr and Mrs Hy did not hire a car for the period claimed.

Having said that, I can only require Tesco to reimburse financial loss actually incurred, so will need proof that the invoices submitted have been paid by Mr and Mrs H. They can provide that in response to this provisional decision.

In addition to the reimbursement of the hire care costs, I think it is appropriate that Tesco pay compensation for the distress and inconvenience caused to Mr and Mrs H by its handling of this matter, to include the wasted appointments to collect the car when it was not ready, having to accommodate the car being collected for further work, having to arrange hire cars and finally having to arrange the repairs themselves. Having considered everything carefully, I consider the sum of £850 to be reasonable.”

Responses to my provisional decision

I invited both parties to respond to my provisional decision with any further information or evidence they want considered.

I provisionally determined that Tesco had not established the invoices are not valid, or that Mr and Mrs H did not hire a car for the period claimed. However, I also stated that I can only require Tesco to reimburse financial loss actually incurred, so I invited Mr and Mrs H to provide evidence that the invoices submitted had been paid. Mr and Mrs H provided copies of bank statements showing a transaction in respect of each invoice. These were provided to Tesco.

Tesco does not accept my provisional decision. It still considers that there is not enough evidence to support the hire car charges, Mr and Mrs H have submitted. Tesco maintains

that the fact the company Mr and Mrs H hired the cars from is not a hire car company is not credible. Tesco says the company was only set up a month after the loss incident and the invoices contain limited details about the hire and do not specify the make, model, registration number, and mileage in and out of each car, which it would expect. Tesco also raised issues with regard to the bank statements provided by Mr and Mrs H, as evidence of payment of the invoices. Tesco says the bank have told it that the transactions on the copies provided do not match its records.

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 has not provided any further information in relation to my provisional findings about the standard of the repairs carried out, the time taken to complete the repairs and the handling of the claim generally. I therefore remain of the opinion that this was not handled as it should have been and Mr and Mrs H were without their car for considerably longer than should have been reasonably necessary as a result of this insured event.

I provisionally decided that £850 compensation should be paid to reflect the distress and inconvenience this caused, to include the wasted appointments to collect the car when it was not ready, having to accommodate the car being collected for further work, having to arrange hire cars and finally having to arrange the repairs themselves. As neither party has commented on this, I see no reason to change my mind and still consider the sum of £850 to be reasonable.

I also provisionally determined that because the time that Mr and Mrs H were without their own car was due to delays on the part of Tesco and its agents, they were not limited to a small courtesy car. Instead, they were entitled to a like-for-like replacement for that period. Tesco has not commented on this. I therefore remain of the opinion that Mr and Mrs H have established they were entitled to hire a like-for-like car for the periods set out in the four invoices. However, Tesco disputes that Mr and Mrs H have proven the costs they are asking for in relation to this.

I have considered everything Tesco has said carefully. Mr and Mrs H explained why they hired the car from the company they did, and I do not think the fact it is not a hire car company as such means, in itself, that the costs are not justified. I remain of the opinion that on the face of it, this seems to have been a reasonable action on Mr and Mrs H's part to mitigate their loss and the daily hire rates cited in the invoices are not unreasonable. I also do not consider that just because the invoices do not specify mileage or registration numbers that this in itself means they are not reliable evidence of charges made.

Tesco has also questioned the bank statements provided in support of payment of the invoices. Tesco says the bank confirmed the payments on the statements do not reflect its records. It has provided the response from the bank. I asked Tesco to also provide evidence of the account and payments it queried with the bank but it has not provided that.

So, as it stands, on the evidence currently provided, I do not consider that Tesco has established that the invoices are not valid.

However, as stated in my provisional decision, I can only require Tesco to reimburse financial loss actually incurred, so it is entitled to proof that the invoices submitted have been paid by Mr and Mrs H. I cannot on the current evidence make any definitive finding about this, as I cannot verify the questions and information Tesco provided the bank to elicit the response it received and I cannot independently verify the copies of the bank statements provided by Mr and Mrs H.

It seems to me that this can be resolved by Mr and Mrs H providing further evidence from their bank to Tesco to confirm the transactions. That could be by way of original bank statements, or a letter from the bank, or whatever other means they might agree between them. This seems to me the best way forward in order to bring this matter to a conclusion.

My final decision

I uphold this complaint and require Tesco Underwriting Limited to do the following:

1. on production of suitable evidence from Mr and Mrs H of payment of the invoices, reimburse the hire car charges from 23 August 2024 to May 2025 (set out in the four invoices cited above), together with interest at 8% simple per annum from the date each invoice was paid to the date of reimbursement; and
2. pay Mr and Mrs H the sum of £850 compensation or the distress and inconvenience caused by its handling of this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 19 March 2026.

Harriet McCarthy
Ombudsman