

complaint

Miss U says Tesco Underwriting Limited wrongly decided she was to blame when she made a claim on her motor insurance policy. It also didn't offer her enough for her car.

background

Miss U told Tesco she was making a U-turn, to park on the opposite side of the road, when another car hit the passenger side of her car. She says the other driver was speeding, that he was uninsured and that he fled the scene. She thinks the other driver was to blame but that Tesco blamed her, without investigating properly. Miss U thinks Tesco should have agreed to repair her car or paid her the full sum she owed for it.

Our adjudicator thought Tesco had acted reasonably in blaming Miss U for the accident. She also thought it had paid her the correct pre-accident market value for the car, which is what it was required to do under the policy. Miss U disagreed with the adjudicator's opinion and asked for a review of her complaint by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As the adjudicator's already explained, under the policy Tesco has the right to settle claims as it sees fit. Miss U said she wasn't aware of Tesco's rights, as she hadn't received the policy documents. Tesco was able to show that the documents were sent to Miss U by email and that the email was opened the following day. We only interfere with an insurer's decisions if we think it's acted unreasonably.

I think Tesco acted reasonably in holding Miss U at fault. She explained to Tesco what happened. It had to decide whether there was any basis on which to dispute blame with the other insurer. Miss U accepted she'd crossed over to the other side of the road and was turning her vehicle. She was therefore in the way of oncoming traffic.

Even if the other driver was speeding, Miss U put her car into his path. And there's no actual evidence of speeding on his part. Miss U suggested that was because Tesco hadn't obtained a report from the police. But she'd told Tesco the police didn't close off the road and take measurements, so the police can't have any useful information about speeding.

Tesco doesn't have to obtain police reports. In this case I think it was reasonable for it to conclude it wouldn't be helpful to do so. Tesco's also said speeding isn't something that can successfully be used to defend a case of this type. Miss U disagrees, but I think Tesco's right. I can't see how Miss U's been adversely affected by Tesco's decision on this point. Miss U also said Tesco didn't take into account the photos and video footage she had. She hasn't said what it showed. As she didn't give it to us, I can't review it. There's no reference to it on Tesco's file, as far as I can see. I can only assume the photos and footage was of the aftermath of the accident. I can't see how that would have helped in terms of who was to blame for the accident. It doesn't change the fact that Miss U put her car in harm's way.

Miss U's policy said that if her car were to be written-off, the market value for it would be paid. Miss U objects to the fact that it was written-off in the first place. She wanted it repaired, and says it wasn't uneconomic to repair it. She says the repairs would have cost

less than the market value. Whilst that may be the case, insurers usually write-off a car if repairing it's going to cost 60% or more of the car's market value. The cost of repairs to Miss U's car was assessed by an engineer as far higher than that. I think it was fair for Tesco to write the car off in the circumstances. Other insurers would have done the same.

Miss U doesn't think Tesco paid enough for the car. She owed more to the finance company than Tesco paid for the car's market value, so she was left owing money. I think Miss U's confused about this point. Tesco wasn't required to pay whatever sum Miss U owed on finance. Under the policy it only had to pay the market value for the car. That's what it did. It based the sum it paid on national trade guide figures. I think that was fair and reasonable, despite the fact that, unfortunately, Miss U was left out of pocket.

Miss U insists that Tesco said it was only making an interim payment for the car, but later said it had paid the sum in final settlement. It seems Tesco initially said the payment wasn't final because Miss U said she was going to ask for a review from this service. I don't think it makes any difference to the outcome of the complaint. Tesco was only required to pay the car's market value, so Miss U hasn't lost out, even if she thought there was a possibility of more being paid.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss U to accept or reject my decision before 9 November 2015.

Susan Ewins
ombudsman