

complaint

Mr C and Miss D complain that Tesco Underwriting Limited (Tesco) has delayed their claim for damage caused by a water leak.

background

Both parties know what's happened in this complaint so I won't go into much detail. In summary Tesco agreed to meet Mr C and Miss D's claim. Several contractors were needed.

Tesco and its contractors have asked Mr C (in particular) to answer security questions each time they call him. Mr C says that's not right and endangers the security of his personal information. He also says Tesco's claim that this is a legal requirement under the Data Protection Act is untrue.

Our adjudicator thought it was reasonable for Tesco – and by connection its contractors – to ask security questions to ensure it was talking to the right person. And she thought that it had responded to Mr C and Miss D's complaint reasonably by offering a password system instead.

Mr C and Miss D have asked for an ombudsman to review their complaint.

my findings

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

I appreciate Mr C's frustration about being asked security questions by what could be an unidentified caller. But although I sympathise with how annoying this can be, Tesco is entitled to make a commercial decision about how it ensures it's talking to the right customer when it calls. This service doesn't have the powers to tell Tesco to change its procedures – that rests with the Financial Conduct Authority.

Mr C's pointed out that he's risking the security of his own information in such circumstances. And I'd agree – if he was receiving unexpected calls from companies he's never heard of. But he's not – he's dealing with an insurance claim and the questions relate to that. So I think it's a judgement call for Mr C whether or not to provide the information requested. If Mr C and Miss D choose not to do that, it is likely to lead to delays.

Having said that, I think it only fair that Tesco (and its contractors) take his concerns into account when contacting him. And I can see they tried to offer a password system for Mr C and Miss D or email contact. Some contractors were more successful than others. It seems that was because Mr C had to go through the security questions one last time – but he could have arranged to call them to do that, as he doesn't have the same concerns when he's making the call.

With regard to whether Tesco lied when it said it was legally obliged to ask security questions, I think it's more likely it made a mistake in how it phrased its response. That's simply because there's no reason for Tesco to try to deceive Mr C and Miss D on this subject. And even if it did make a mistake, as I said before, if Tesco makes a commercial decision to ask such questions on outbound calls then this service can't tell it not to.

Overall I'm not persuaded that Tesco has been responsible for most of the delay here and I'm not going to uphold this complaint.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Miss D to accept or reject my decision before 19 February 2016.

Sue Peters
ombudsman