

The complaint

Mr P complains about the service provided by Tesco Underwriting Limited when responding to his home insurance claim.

Tesco are the underwriters (insurers) of this policy. Some of this complaint concerns the actions of their appointed agents. As Tesco accept they are accountable for the actions of their agents, in my decision, any reference to Tesco should be interpreted as also covering the actions of their appointed agents.

What happened

The background to this complaint is well known to Mr P and Tesco. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mr P had a home insurance policy with Tesco. In November 2022 he registered a claim under his policy for damage as a result of a car reversing into his property (garage). Tesco accepted the claim but Mr P was unhappy with the progress of repairs and made a complaint. Tesco offered a total of £450 in compensation. As Mr P remained unhappy, his complaint has been referred 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

Mr P has made a number of complaints to Tesco in relation to this claim. Tesco have issued a number of final response letters. This decision only covers off the period from the start of the claim in November 2022 until May 2023. Mr P has referred a further complaint to our Service about events after May 2023 and they will be considered separately.

It's not in dispute that Tesco mis-handled this claim during the period November 2022 - May 2023. I say this because Tesco accepted that they let Mr P down by their handling of his claim during this period. Therefore, my decision will only consider whether the offer of £450 is fair and reasonable, relative to the impact of Tesco's actions on Mr P.

There's no doubt that Tesco caused largely avoidable trouble, upset, frustration and uncertainty for Mr P as a result of their actions. When I've considered the offer of £450 I find it fair and reasonable – relative to the impact of Tesco's actions on Mr P.

I've also considered that the offer is broadly in line with our published guidelines on these types of awards. <https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience> The range that this offer falls into refers to "*where the impact of a mistake has caused considerable distress, upset and worry – and/or significant*

inconvenience and disruption that needs a lot of extra effort to sort out.” It’s clear that there were multiple delays for various reasons during the period of time November 2022 - May 2023.

It’s important to add that whilst I’m not detracting from the impact on Mr P, it’s not the role of our Service to financially ‘punish’ businesses. And, as explained above, this decision only considers the time period near the start of the claim - not any further impact after May 2023. It’s to be expected that the issues Mr P has described after May 2023 will have amplified his feelings about Tesco’s initial response to the claim.

Mr P has told us he didn’t accept Tesco’s offer. Tesco have said it wasn’t originally paid, but has been now. Given the time that’s passed - and for completeness, I’ve included a direction below for Tesco to pay the £450. Mr P can of course reject/return it, but I won’t be directing Tesco to do anything further in relation to this specific part of Mr P’s complaint.

Putting things right

If they haven’t already done so, Tesco Underwriting Limited need to pay Mr P £450.

My final decision

My final decision is that I partially uphold this complaint. Tesco Underwriting Limited now need to follow my direction as set out under the heading ‘Putting things right’ (if they haven’t already done so).

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 18 June 2024.

Daniel O’Shea
Ombudsman