

## **complaint**

Mr and Mrs C complain that Tesco Underwriting Limited hasn't made a fair settlement for a claim made under their home insurance policy.

## **background**

Mr and Mrs C made a claim following an escape of water. This included damage to their wooden flooring.

Tesco agreed to cover the damage to the flooring caused by the escape of water. However, as the flooring was continuous throughout the property, Mr and Mrs C wanted Tesco to cover the full cost of replacing this. Tesco refused and said it would only cover 50% of the cost of replacing the undamaged flooring. Unhappy with this, Mr and Mrs C brought a complaint to this service.

Our investigator didn't recommend the complaint be upheld. He thought Tesco's decision had been reasonable.

Mr and Mrs C didn't accept our investigator's findings, so the matter has been passed to me to consider.

## **my findings**

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

The policy says:

*"We will not pay for the cost of replacing any undamaged items solely because they form part of a set, suite, group or collection of items of a uniform design, nature or colour."*

Only part of the wooden flooring has been damaged by the escape of water.

However, Mr and Mrs C have explained the wooden flooring is continuous throughout their property, without any thresholds.

Although the policy doesn't allow for the cost of replacing undamaged items, I think it would be fair for Tesco to recognise that by only replacing the damaged part of the flooring, this would leave Mr and Mrs C with flooring that no longer matches.

Given how much of the flooring was damaged, I think the loss of match would be quite significant. Consequently, I find it would be fair for Tesco to pay a contribution towards the undamaged flooring.

Tesco has offered to pay 50% towards the cost of the undamaged flooring, which I find to be reasonable and in line with the amount I would have awarded.

Although I appreciate Mr and Mrs C would like Tesco to pay the full cost of replacing the entire flooring, I don't think that would be a fair outcome given that not all the flooring was damaged by the escape of water.

Tesco had initially led Mr and Mrs C to think it would pay 100% of the cost of the undamaged flooring. It then advised them this was an error and it would only pay 50% of the cost of the undamaged flooring. Mr and Mrs C say this happened twice.

Tesco apologised for giving Mr and Mrs C inconsistent information about their claim. It offered to reduce the excess payable by Mr and Mrs C by £200 to recognise this.

As the investigator has pointed out, we wouldn't usually require an insurer to make a payment it has led a consumer to believe would be paid, if this was done in error. Having said that, I recognise Mr and Mrs C would have been disappointed to learn that Tesco wouldn't be covering 100% of the undamaged flooring, as they'd been told.

I think £200 is a reasonable amount of compensation for the loss of expectation that Mr and Mrs C experienced as a result of Tesco's error. I therefore don't require Tesco to do anything further.

### **my final decision**

My final decision is that I don't uphold this complaint, as I'm satisfied Tesco has made a fair offer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 8 July 2020.

Chantelle Hurn-Ryan  
**ombudsman**