

The complaint

Mr P has complained about the way Tesco Underwriting Limited dealt with a claim for repairs under his car insurance policy.

What happened

In September 2022 Mrs P as named driver reported that a third party had reversed into their car while parked.

Tesco arranged for an approved repairer (AR) to carry out incident related repairs.

When the car was returned to Mr P, he and Mrs P made a complaint. They said they'd told Tesco that the car had an engine warning light before repairs were carried out which they believed was incident related. The car had broken down around two weeks after it had been repaired and Mr P says the engine warning light returned.

Mr P was unhappy with the length of time it took for the car to be booked in for repairs - and the lack of updates.

Tesco said it would await the outcome of a main dealer diagnostic report as its AR said the appearance of an engine warning light would not have been related to the incident damage.

Tesco agreed it had caused a delay, but said this was outside of its control due to replacement parts ordered by the AR taking longer to arrive. It apologised for the lack of updates.

Mr P asked us to look at his complaint. He said in order to provide a report, an engineer would need to dismantle the engine and the costs to do so are too expensive. Mr P says Tesco has acted neglectfully as the AR should have properly investigated the warning light which he believes was incident related. He doesn't feel it is fair for him to pay the costs to provide a report.

Our Investigator thought Tesco's request for an independent report was reasonable as the AR didn't agree the engine warning light could be related to the incident. But he thought Tesco should pay compensation of £100 for the distress and inconvenience caused by its lack of updates.

Mr P doesn't agree that it should be his responsibility to pay for the costs to have the engine stripped as he believes the AR overlooked incident related damage. He says their car was in good working condition before the incident and there were no warning lights or oil leaks. So he wants an ombudsman to decide.

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.

As the Investigator explained, there doesn't seem to be a dispute that there was an engine warning light which Mr P reported a few days after they reported the incident to Tesco. Photos provided by both Mr P and Tesco show this.

Tesco's AR says that the warning lights were not related to the incident damage. We can only rely on the professional opinion of the engineer(s) involved in assessing the vehicle. I can see that Mr P's car broke down two weeks after repairs were carried out. Tesco advised Mr P that it would consider the outcome of a diagnostic report from an independent garage. I understand that the costs to provide this are costs Mr P says he cannot afford. But without any independent evidence to contradict the opinion of Tesco's AR engineer, I cannot safely conclude that Tesco has acted unreasonably.

From the notes provided by Tesco, it's clear that Mr and Mrs P had to chase Tesco for updates as to when their car would be booked in for repairs. I think Tesco should have been more proactive in keeping Mr and Mrs P updated - and it accepts this in its response to their complaint and apologised. For the distress and inconvenience caused, I think Tesco should pay Mr P £100 compensation. This is line with awards we give in similar circumstances.

My final decision

My final decision is that I uphold this complaint in part. I require Tesco Underwriting Limited to pay Mr P £100 compensation for the distress and inconvenience caused by its lack of updates about repairs during the claim.

Tesco Underwriting Limited must pay the compensation within 28 days of the date on which we tell it Mr P accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 September 2023.

Geraldine Newbold
Ombudsman