

The complaint

Mr and Mrs H complain Tesco Underwriting Limited has unfairly declined a claim it made for subsidence.

What happened

The details of the complaint are well known to both parties, so I won't repeat them in detail here. Instead, I'll focus on providing my reasons for my 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.

Having done so, I agree with the conclusion reached by the investigator. I do not uphold the complaint for the following reasons

- Mr and Mrs H say the policy wording is flawed, misleading and ambiguous. I disagree. The policy provides the definition of common words, sets out in general the cover the policy provides and then goes on to specify, in detail, events that are insured under the policy and any applicable exclusions. This is quite common.
- Tesco Underwriting, like all insurers, is able to decide the type of risks, and to what extent, it is prepared to offer cover for. Here, it has decided not to offer cover for subsidence for specified areas of the property where the main building is not damaged at the same time in the same incident. And it has listed this as an exclusion in the applicable section.
- It is not in dispute from the reports provided that the damage is limited to the garden wall. There is no mention of, or has Mr and Mrs H reported, damage to the main building.
- I think Tesco Underwriting has acted fairly and reasonably in declining the claim in line with the terms and conditions of the policy.
- I've considered that Mr and Mrs H were initially told subsidence was covered under the policy, but later were told an exclusion applied. And I appreciate this would have come as a shock to them. But I don't think any compensation is due here.

My final decision

My final decision is that I do not uphold Mr and Mrs H's complaint against Tesco Underwriting Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 23 April 2024.

Alison Gore
Ombudsman