

The complaint

Mr F complains that Tesco Underwriting Limited took too long to deal with his home insurance claim.

What happened

Mr F had home insurance with Tesco, and his kitchen suffered fire damage in December 2022 (with smoke damage spreading beyond the kitchen). His hob was unusable.

He said the claim appeared to move quickly in the first instance but then stalled and he eventually felt he had no option other than to agree to a cash settlement and complete the work himself.

Mr F complained to Tesco about this on several occasions and they eventually offered him £300 compensation, after he had referred the matter to our service.

An investigator here said he thought that was fair, but Mr F didn't think it was enough, so the case has been passed to me to decide. I issued a provisional decision, which I've copied below:

Mr F claimed in December 2022 and says he was given an initial estimate of mid-February 2023 – for completion of the repairs. But, that didn't come to fruition. He contacted Tesco in March 2023 to explain how distressing he was finding living in a smoke damaged home, and to inform them that he was cooking off a camp stove, which was expensive to run.

Mr F contacted Tesco again in May 2023 to say he was further frustrated since no progress seemed to be being made. In view of this, Tesco suggested a cash settlement, but Mr F said his preference was for Tesco's network repairers to carry out the work. Tesco acknowledged at this point that the matter had become urgent.

Still frustrated with the lack of progress, Mr F complained to Tesco a third time in June 2023 – pointing out that it had by now been seven months since the claim started. He said his standard of living had been suffering due to the lack of repairs, and that he still didn't have a fully functioning kitchen.

Mr F acknowledged that cleaning had been done but that had even taken four months and that the cleaners had caused damage to paintwork in his living room.

Due to the lack of progress, Mr F said he would now be willing to accept a cash settlement since it seemed to be the only way forward, and that if he'd known how long it would take, he would've accepted cash from the start. Mr F said he was finding the lack of progress to be more distressing than the fire itself. He's told me this was, in part, due to being made redundant and facing the prospect of having to sell his home (which would be difficult, and/or at a loss, due to the damage).

The settlement was eventually received at the end of July 2023, over seven months after the claim was made. And that wasn't really the end of it because the repairs still had to be

completed, causing further inconvenience to Mr F. He says he eventually completed repairs himself, because the cash settlement wasn't enough to employ contractors, and that it took several months of hard work. Mr F says he completed the work at the end of October 2023.

Bearing all of this in mind I believe the claim handling here has been particularly poor. Mr F had to live in an unsightly fire damaged property (Tesco's cleaning would've only partially helped this). And while he still had some cooking facilities available, he had no hob – which he clearly used as it was where the fire started. And was why he used the camp stove.

Mr F had to chase Tesco on numerous occasions, which shouldn't have been necessary, and which caused further inconvenience. Plus, he ended up having to complete the work himself because he found the cash settlement to be insufficient to employ contractors. In the end it took over ten months for the property to be reinstated.

Overall, I think it's reasonable to say Tesco ought to increase their offer of compensation [to £800].

Mr F and Tesco both replied to say they had nothing further to add.

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.

Bearing in mind neither party has anything further to add, I see no reason to depart from what I provisionally decided.

My final decision

It is my final decision that I uphold this complaint. I require Tesco Underwriting Limited to pay Mr F £800 compensation in respect of this matter. I make no other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 3 April 2024.

Will Weston
Ombudsman