

## **The complaint**

Mrs F complains about the way Tesco Underwriting Limited ("Tesco") handled a claim under her home insurance policy.

## **What happened**

The circumstances of this complaint are well known to both parties, so I'll only summarise them here.

- In late December 2020 Mrs F noticed cracks in the walls of her porch, and contacted Tesco to report a claim.
- Tesco commenced investigations into the cause of the cracks and in a preliminary report dated 31 December 2020 it noted the damage appeared to be related to foundation movement of the porch.
- Tesco say they accepted and progressed the claim for subsidence.
- Mrs F tells us she encountered delays and had to chase Tesco for updates throughout the claims process.
- A cash settlement was agreed in November 2022.
- Mrs F complained to Tesco about the delays
- In its final response dated 13 December 2022 Tesco apologised and acknowledged there had been delays and it hadn't updated Mrs F as it should have.
- Mrs F remained unhappy and brought her complaint to this service.
- Mrs F told us she wanted Tesco to explain why there had been delays and a give a sincere apology. She wanted proof that the staff involved had been educated so it didn't happen to anyone else, her premium to be reduced and wanted a gesture of goodwill for the stress caused.
- Our investigator upheld the complaint. He agreed there had been some failings although he felt they had a minor impact on the claim and overall timescales to reach a settlement. He explained that claims of this nature take an extended period to investigate and resolve, but he could award compensation for avoidable delays. And he recommended Tesco should make a compensation award of £100.
- The investigator also advised it wasn't within our remit to punish a business for errors or tell it how to train its staff. He went on to explain premiums can be impacted by claims of this nature. And it was a commercial decision for the business to determine the premium that reflects the level of risk of providing cover.
- Mrs F didn't think this was a fair resolution and asked that an ombudsman decide her complaint.

## **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've reached the same outcome as our investigator, and largely for the same reasons.

Mrs F has made her strength of feeling on her case clear, and if I don't mention a particular point she's made it isn't because I haven't seen it or thought about it. It's just that I don't feel it necessary to reference it to explain my decision. I hope Mrs F doesn't take this as a discourtesy, it's just a reflection of the informal nature of our service.

The issue I have to decide is did Tesco act reasonably and fairly in its handling of this case. There is no dispute there were delays, Tesco have acknowledged Mrs F had to chase more than she should've needed to and that there were some delays. So I've considered the impact of the delays compared to the level of disruption and time a subsidence claim of this scale might be expected to take.

Having done so I agree with our investigators view that the additional impact of the failings by Tesco was relatively minor in the overall time taken to settle the claim. That is not to say Mrs F wasn't inconvenienced or didn't experience stress during the time taken to resolve her claim, simply that the additional impact of Tesco's failings did not significantly impact the overall time taken. I'm satisfied £100 is an appropriate award in the circumstances of this case.

I've thought about what Mrs F has said about her premium increasing and wanting a more reasonable premium. I agree with the comments made by our investigator on this point. It is a commercial decision for Tesco to charge the premium it considers appropriate for the level of risk it has underwritten, and claims experience is a factor in determining that risk. I've seen no evidence the increase is unfair.

In her submissions Mrs F says others may not have had the tenacity to chase Tesco as she did, and that if she hadn't chased regularly, she feels the claim would've taken even longer to settle. My role is to consider what happened with this complaint. I cannot consider what might have happened if it were not for the interventions Mrs F made, or how other people might have been affected in a similar situation. That said, I can understand why Mrs F feels the claim would've progressed more slowly if she hadn't intervened.

I note in its final response letter Tesco says it sincerely apologises for the delays it caused, and I have no reason to doubt its apology is sincere.

On balance, I'm not satisfied Tesco has acted fairly and reasonably in the handling of this claim and I uphold the complaint.

## **Putting things right**

Tesco should pay Mrs F £100.

## **My final decision**

I uphold this complaint and require Tesco Underwriting Limited to pay Mrs F £100 in recognition of the distress and inconvenience caused by the avoidable delays in progressing this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 23 November 2023.

Martyn Tomkins  
**Ombudsman**