

## **The complaint**

Mr O complains that Tesco Underwriting Limited (Tesco) settled a claim brought against his motor insurance policy by a third party.

## **What happened**

Mr O had motor insurance underwritten by Tesco. Another driver said that Mr O's car had collided with their car in a car park. Mr O said that he had not. Tesco decided that Mr O wouldn't be able to prove in court that he wasn't responsible for the damage to the other car. So Tesco settled the claim.

Mr O wasn't happy about this and complained to Tesco. Tesco said that having fully considered the information available from all parties involved it regretted that it had no alternative but to deal with the matter on the basis that Mr O was responsible as it had been presented with an image showing his vehicle in contact with the other driver's. Tesco said it must consider what decision would be made if the case was contested and went to court.

Mr O wasn't happy with what Tesco said and complained to this service. Our investigator didn't uphold his complaint. He said based on the information Tesco provided, it had fully considered the circumstances of the claim, and decided it would be unable to defend the case in court. The investigator didn't believe that Tesco acted unfairly or unreasonably in reaching this decision.

Mr O wasn't happy with the investigator's response and so his complaint has been passed to me. Mr O says he has lost his no claims discount and has had to pay more for his insurance. Mr O says the whole claim was a fabrication and he wants it removed from his records.

## **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.

I don't uphold Mr O's complaint. I'll explain why.

Mr O's motor insurance policy with Tesco said:

*"In dealing with any claim under the terms of this policy we may:*

- *carry out the defence or settlement of any claim..."*

This is a common clause in motor insurance policies and it means that an insurer can decide how to deal with a claim made against a consumer's policy by a third party. And the insurer can decide to contest the claim or accept liability. In this case I can see that Tesco obtained information from Mr O and from the third party insurers to try to establish what happened, including a photo from the other driver appearing to show the two cars in contact. Tesco also obtained engineer's reports about both cars which showed some damage to both.

Our investigator has explained to Mr O that it is not our role at this service to decide who is

at fault in an accident. Rather we look at whether the insurer has acted fairly and reasonably and in accordance with the terms of the policy. I think that Tesco did act reasonably in obtaining information about what happened, and when Mr O complained it reviewed all the information again. However the third party insurers had instructed solicitors and intended to pursue the matter in court. Tesco decided that Mr O wouldn't be able to show that the accident wasn't his fault and the likelihood was that he would lose.

I think in the circumstances this was a fair and reasonable decision and in accordance with the terms and conditions of Mr O's policy.

### **My final decision**

For the reasons given above I don't uphold Mr O's complaint. So I won't be asking Tesco Underwriting Limited to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 3 October 2023.

Sarah Baalham  
**Ombudsman**