

The complaint

Mr R is unhappy with the service provided by Tesco Underwriting Limited (TU) following renewal of his car insurance policy.

What happened

Mr R took out car insurance with TU. In March 2023 he contacted TU to inform it of a vehicle change, and add his son (hereafter referred to as Mr A) as a named driver. Mr R was told as a result of adding Mr A to his policy, the cost of his monthly premium would increase.

TU subsequently called Mr R and informed him that it had discovered a fault claim from 2021 from an incident Mr A had been involved in. Mr R was informed his premium would increase again from the previously discussed amount. Mr R agreed to this change.

The payment due to be taken in May was missed as Mr R had cancelled his direct debit instruction. Mr R contacted TU and advised he would make up this payment, and re-instate his direct debit. Because this didn't happen, TU told Mr R that his policy would be cancelled.

On 20 June TU received a letter from Mr R requesting cancellation of his policy. In the same letter Mr R also said he'd like to complain about TU failing to add details of the fault claim when he first added Mr A to his policy. On receipt of Mr R's letter, TU agreed to backdate the date of cancellation to 20 June. This left an amended balance payable by Mr R to reflect the period of cover from 28 May 2023 to 20 June 2023.

Mr R was unhappy with this response, saying that he had disclosed details of Mr A's fault claim, and TU had failed to tell him what the increased premium would be during that call. Mr R brought his complaint to the Financial Ombudsman service.

TU informed this service that the call recording from when Mr A was added to the policy was no longer available. So it didn't agree that there was evidence to support what Mr R had explained about disclosing the fault claim from 2021. TU said the case notes showing what was recorded for the call read *'ph CoV and added driver.'* The case notes didn't refer to Mr R disclosing a fault claim at the time.

The investigator was persuaded by the evidence which supported Mr R's position that he had disclosed the claim from 2021. The investigator recommended TU pay Mr R £100 to compensate him for the upset caused by TU failing to confirm the correct premium, and for Mr R missing out on the opportunity to make an informed decision whether to proceed with the cover at the higher premium.

Mr R accepted the investigator's findings. TU didn't agree. TU said that there wasn't any evidence to support Mr R's testimony about the claim being disclosed. And even if it was to accept this, Mr R hadn't provided evidence of searching for alternate policies which were cheaper, which would help justify the compensation for £100 recommended.

During our investigation Mr R was informed of the ombudsman's provisional outcome on the complaint. Mr R was informed that there wasn't enough evidence to support that TU

did make an error during the call, **and** that secondly, because of this error, Mr R had been impacted, causing him loss which TU is responsible for.

Mr R responded to this saying *'if the price I was originally given by [the] customer service advisor had been the amount of around £119 the amount TU increased the insurance to I would never have taken out the insurance with this company, but because they had already insured the vehicle then rang me claiming I had not disclosed [the] fault claim which I stress I had disclosed this, I had no choice but to pay the increased amount. Even though I could not afford this.'*

As the complaint couldn't be resolved, it has been passed to me for 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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that's been provided.

Having reviewed the evidence I don't think TU need to do anything in settlement of this complaint. I can understand this is likely to come as a disappointment to Mr R but I hope my findings go some way in explaining why I've reached this decision. I've focused my comments on what I think is relevant. If I haven't commented on any specific point it's because I don't believe it has affected what I think is the right outcome.

When evidence is contradictory or inconclusive (or both) I have to make a finding on the balance of probabilities. That is what I find is most likely to have happened in view of the available evidence and wider circumstances. The call notes don't include any reference to claims information being discussed, or disclosed. I've considered the impact on Mr R if I was to accept his version of events. And I'm satisfied Mr R would most likely find himself in the same position as he is in today. So I don't agree Mr R has been impacted to the extent that he has described. I'll explain why.

If TU had recorded a fault claim for Mr A during the call, (as Mr R feels is what should've happened), it is likely that the TU adviser would've informed Mr R that the premium was going to increase. Mr R has informed this service that he would not have proceeded with taking out insurance if the increase had been made clear to him. But I've seen that when Mr R was told during a later call that the premium would be increasing, Mr R agreed to this change. So whilst I cannot be certain, on balance, I think it's more likely than not that this is the action Mr R would've taken if correct pricing information had been provided.

I've also considered the impact on Mr R if he had decided not to continue with cover after being told of the monthly increase. And I'm persuaded that this would've been treated as a cancellation, and processed in line with the policy terms. Because this didn't happen, Mr R remained covered, until his notice of cancellation on 20 June. By remaining covered, Mr R had the benefit of insurance in place should he have needed it. So I don't think it would be fair to ask TU to offer a refund from an earlier date. Despite being requested, Mr R also hasn't provided this service with any evidence to support that he could've purchased cheaper insurance elsewhere. So there isn't enough evidence to say that continuing cover with TU left Mr R worse off. He still had the benefit of insurance, should he have needed it.

Based on the evidence I've seen, I'm not persuaded that Mr R was misled in the way he has described. I appreciate what Mr R has said about the inconvenience caused to him in having

to cancel his policy at a later date, and take out new insurance. But this is something he would've had to do, after being unable to afford the new payments proposed by TU. For the reasons explained I won't be asking TU to do anything in settlement of this complaint.

My final decision

For the reasons provided I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 February 2024.

Neeta Karelia
Ombudsman