

## **The complaint**

Mr W has complained about the way esure Insurance Limited (esure) handled his motor insurance claim.

My references to esure includes their agents.

## **What happened**

Mr W was unfortunately involved in a car accident, so he made a claim on his policy. After an inspection was completed by an engineer, esure declared his car a total loss. Mr W accepted esure's decision but complained about the following issues:

- The valuation and cash settlement he received for his car. He said the valuation wasn't fair, based on the research he'd carried out independently and the amount he'd originally paid for the car. He also said he believed esure had deducted an excessive amount from the settlement figure due to pre-existing damage.
- The amount of time it took esure to provide a hire car following the accident.
- The fact he wasn't given the option to buy back his car after it had been written off.
- The loss of a designer watch which he thinks he may have left in the car and didn't retrieve.
- The unexpected contact he received from the new owner of his car, after it had been sold at auction. Mr W said this caused him distress, as he was told some of his belongings had been left in the car. He was also concerned his personal data had been shared instead of disposed of, as the third party said he'd identified him using receipts he'd found in the car.

In response to the complaint, esure said they didn't think they'd done anything wrong. So, Mr W asked our service to consider the matter.

Our investigator concluded esure had treated Mr W fairly in relation to most of his concerns. But they should reasonably have made sure Mr W's car was cleared of any personal possessions and information, before it was sold. So, she asked esure to pay Mr W £200 compensation to reflect the trouble and upset this issue caused him.

Mr W accepted our investigator's opinion, but esure didn't. They said they'd acted fairly as Mr W had been given ample opportunity to collect his possessions before the car was sold. They also said the car was inspected and cleared of all items and rubbish before it was given to the new owner. They accepted it's possible a single receipt may have been missed when they cleared the car, but they didn't think compensation should be payable under such circumstances.

After our investigator issued their view, Mr W raised a new complaint point. He said he'd

recently found out there was a balance outstanding to the company that provided his hire car. So, he felt esure should arrange for this to be settled as a matter of priority. In response, esure said they weren't responsible for paying this extra bill, as Mr W kept the hire car after they asked him to return it.

On 8 November 2021, I issued a provisional decision to make sure all of Mr W's complaint points were addressed. Since then both sides have accepted my findings and said they don't wish to provide any additional comments. So, what follows is my provisional decision made final.

### **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'm satisfied Mr W was provided with a fair valuation for his car, based on the motor trade guides. I also think it was reasonable for esure to rely on these guides, as they are based on extensive nationwide and local research and they show likely sale prices for most cars, based on the month of loss. To settle the claim, esure were required to pay the cost of replacing Mr W's car with another of the same make and model and of a similar age and condition at the time of the accident or loss. Relying on motor trade guides was therefore a fair way of establishing this information, despite it not being an exact science. I also wouldn't normally expect esure to base their valuations on car adverts instead of trade guides, as the price listed in car adverts often has a margin built in to allow for negotiation. In other words, they are often asking prices instead of selling prices.
- I have reviewed each of the motor valuations esure relied on and I'm satisfied £3,468 was a fair valuation for Mr W's car. As this was the average amount, based on the four guides that were consulted. I'm also satisfied the valuations were based on cars with the same mileage, make and model as Mr W's. I appreciate Mr W is disappointed this amount is significantly less than the price he purchased the car for. However, as esure were required to base the settlement amount on the value of his car immediately before the time of loss - I wouldn't reasonably expect them to increase the settlement amount for this reason.
- Mr W doesn't dispute the pre-existing damage esure identified with his car. His concern relates solely to the amount they deducted. I don't think esure have treated Mr W unfairly here either, as I've reviewed the engineer's report and I'm satisfied the damage they identified including dents, chips and panel damage would reasonably have impacted the value of the car. Unless a car is brand new, I'd usually expect an insurer to establish the cost of repairing any pre-existing damage, and then divide this amount by half to reach a fair deduction. I'm satisfied esure did this here, as an engineer calculated the repair cost to be £1,571.40 and £785 was deducted from the above valuation figure.
- I don't think esure delayed providing Mr W with a hire car, as this was supplied on the first working day, following the accident taking place. I appreciate this meant Mr W didn't have a car to use over the weekend, but as the car was supplied within the time frame stated in the policy wording, I don't think esure acted unreasonably.

- In most cases, where an insurer declares a car a total loss, they will retain the vehicle in its damaged state, and they may sell it at auction to receive the salvage value. This is indicated in esure's policy wording as it says, "*If we settle your claim as a total loss, the car will become our property.*" This isn't an unusual policy term, so I don't think esure acted unreasonably by relying on it. I also note that Mr W didn't express any interest in buying back the car until after it was sold. So, esure wouldn't have had any reason to think Mr W was interested in pursuing this possibility.
- Mr W was entitled to a hire car for a maximum of 21 days following the accident. I've listened to several calls Mr W had with esure about this issue, and note he was clearly told to return the hire car by 29 December 2020. In later conversations, he was also advised to return the car as a matter of priority, as the deadline had expired, and no further cover was available. So, I don't think esure acted unfairly by declining to pay the outstanding bill for the extra time Mr W retained the hire car.
- Mr W has asked esure to compensate him for a missing designer watch which he believes he may have left in the car. I don't think this would be fair under the circumstances, as Mr W has acknowledged he could reasonably have retrieved this item after the accident or in any event, before the car was sold. I also note esure gave Mr W several weeks to collect his belongings and gave him the necessary contact details to do so straight away. So, I don't think they could reasonably have done anything more to help him retrieve this high value item.
- Despite the above, I don't think Mr W reasonably expected his car to be sold without it being cleared of its contents first, as he was told any items would be set aside or disposed of. It's also understandable he was caused upset, when the new owner contacted him through social media and said he'd been able to identify him using receipts he'd found in the car.
- I'm aware, esure have said Mr W's car was thoroughly checked and cleared before it was sold, and if any personal possessions had been found they would have been put to one side. They've also said all items were deemed to be rubbish and disposed of prior to the sale. I've carefully considered esure's comments here and note that to a certain extent they reflect Mr W's testimony, as he's said it was his understanding his car would be cleared before it was sold, and any items would be set aside or disposed of if he didn't collect them.
- Mr W has provided copies of the messages and photographs he exchanged with a third party using social media. The first message says the third party thought he'd purchased Mr W's car at auction. It also says he'd identified Mr W, using an envelope full of receipts he'd found in the car, and he wanted to return them in case they were important for tax reasons. The third party also said he'd found some other items including a Sat Nav. Having reviewed this evidence, I'm satisfied it's likely the third party purchased Mr W's car, as the photographs are like those contained in the engineer's report and the car has the same registration number.

- I don't have any reason to doubt the comments the third party made about the condition of the car. As such, I don't think it's likely the car was sufficiently checked or cleared before it was sold as esure have suggested. I also disagree with esure that
- it's likely the new owner identified Mr W, based on a single receipt that may have been missed in error. I say this as the messages and photographs suggest several receipts were found in the car, alongside other items which should reasonably have been removed before the sale.
- I appreciate Mr W received some benefit from the contact he received from the third party, as he was able to retrieve some personal items which otherwise may have been disposed of. However, I don't think this reasonably outweighs the upset he experienced, when he realised his personal information and possessions had been left in the car, despite assurances this wouldn't take place.
- I haven't seen any evidence which suggests esure's error had long lasting consequences. However, it's clear the contact from the third party caused Mr W to experience shock, worry and upset. I therefore think it would be reasonable for esure to pay Mr W £200 compensation to reflect this trouble and upset.

### **My final decision**

For the reasons I've explained, I uphold this complaint in part and direct esure insurance limited to pay Mr W £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 December 2021.

Claire Greene  
**Ombudsman**