

## **The complaint**

Mr D has complained about the manner in which esure Insurance Limited dealt with a claim against his motor insurance policy.

## **What happened**

In February 2021 esure contacted Mr D to say it had received a claim from a third party insurer alleging his car had caused damage to another car in 2017. Mr D said he hadn't been involved in an accident or indeed been in the city where it apparently took place.

esure then wrote to Mr D asking him to discuss the matter further with it. Mr D was unhappy with the tone of that letter and complained. esure agreed that the tone of the letter wasn't appropriate to Mr D's circumstances and paid him £50 compensation. Mr D wasn't happy with that or with esure's progress. And it wasn't until May 2021 that the third party insurer confirmed that it wasn't Mr D's car which was involved in the accident.

Mr D brought his complaint about esure to us. One of our investigators looked into it. He didn't think esure needed to take any further action to put things right. Mr D didn't agree so his complaint's been passed to me to decide.

## **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'm not going to uphold it.

I can understand how confusing, stressful and frustrating Mr D might have found it to learn that he'd essentially been accused of causing an accident, or at least of his car being involved in an accident, that he had absolutely no involvement with. But I don't think that was esure's fault. A third party insurer had told esure that a car it insured, Mr D's car, had caused an accident. And, as the insurer of that car, esure was required by law (the Road Traffic Act 1988) to respond to that allegation.

It might help if I explain that there's a centrally held database that records which insurers insure particular cars. And the database locates insurers by the registration number of the cars on their policies and not by the name of the policyholder. So, when there's been a driving incident and an interested party wants to claim from the insurer of the car involved, they can find the insurer's details from the central database using the car's registration number.

But occasionally the party wishing to make a claim will make a mistake, perhaps because they've recorded the registration number incorrectly. And when that happens the database will provide details of the insurer of the car with the "incorrect" registration number. And that can lead to a claim being made against a policyholder who has no involvement or knowledge whatsoever of the incident being claimed for.



That's what happened in this case. That is the party making the claim or their insurer noted the registration number of the car involved in the incident as being Mr D's car registration by mistake. And when the third party insurer looked for the insurer of the car with that registration from the database it's provided esure's details as insuring Mrs D's car. The third party insurer has then sent their allegations to esure.

So, when esure received that claim it's recorded it on its system as a claim against Mr D's policy. That process has automatically updated a shared insurance database that a claim had been made. That's standard procedure across the motor insurance industry. And until the incident had been investigated and closed down the claim would show as "open", which meant it hadn't yet been determined, on the shared database. And it's usual for insurers to treat open claims as if they are fault claims until they're closed. So as esure had received a claim against a car it insured, I think it was reasonable for it to record it as a claim against Mr D's policy until it had fully investigated the matter.

esure noted the third party insurer's allegation didn't name Mr D as the driver of the car. And it spoke with Mr D to confirm his car hadn't been involved in the accident and responded to the third party insurer accordingly. But it couldn't just close matters down at that point. That's because it's standard practice for insurers to wait until they've received confirmation from the claiming party, in this case the third party insurer, that they're no longer going to pursue the claim before closing it down. That's because otherwise the claimant could simply continue to pursue it and take the matter to court, and the claim would still show as "open" on the shared database, regardless of the fact the policyholder has consistently denied any involvement in it. So, while I do understand how frustrating Mr D found the situation, I don't think esure did anything wrong in not closing the file when Mr D said his car hadn't been involved in an accident.

I've noted that it took esure around three months from receiving the third party insurer's allegations to confirming that the matter had been closed. Mr D thinks that was too long. But I've seen that esure continued to regularly follow up on the matter with the third party insurer throughout that period. esure was consistent with the third party insurer that neither Mr D nor his car had been involved in the accident and that it would defend any claim. But the third party insurer told esure it was waiting for a police report. And it wasn't until May 2021 that the third party insurer confirmed that the actual car involved in the accident wasn't Mr D's, although it had a very similar registration number.

It was only at that point, when the third party insurer confirmed it would no longer be pursuing a claim against Mr D's policy, that esure could safely close down the claim at its end. It did so noting that the claim had been opened in error and wouldn't show against Mr D's insurance history. I can understand how frustrating this drawn out process must have been for Mr D. But esure isn't responsible for the actions of the third party insurer. And I think esure took reasonable steps, including regularly chasing the third party insurer for its updated position on the claim, to progress matters as quickly as it could. So I don't think it was esure's fault that Mr D was put to some trouble because of the mistaken claim from the third party insurer.

That said esure agreed, at an early stage, it had sent a generic letter to Mr D asking him to contact it. It accepted that the tone of that letter wasn't appropriate to Mr D's situation. It apologised and paid Mr D £50 compensation for his distress and inconvenience. I think that was a reasonable response in the circumstances. So I don't intend to instruct esure to take any further action.

### **My final decision**

For the reasons set out above I don't uphold this complaint.



Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 October 2021.

Joe Scott  
**Ombudsman**