

The complaint

Miss P and Mr H complain that esure Insurance Limited mishandled a motor insurance policy.

Where I refer to esure, I refer to the above-named insurance company and I include employees and others insofar as I hold esure responsible for their acts or omissions.

What happened

Miss P says she hadn't made a claim on a car insurance policy since 2003, so she had 18 years no claims discount ("NCD"). But for the year ending October 2021, she was insured with one of esure's competitors who had a maximum NCD of 9 years. Its renewal letter said Miss P had 9 or more years NCD.

On 10 October 2021, Miss P took out an esure policy for the year from 30 October 2021. She was the policyholder and Mr H was a named driver. She told esure she had 18 years NCD. By a welcome letter dated 10 October 2021, esure asked her for proof of her NCD.

Miss P and Mr H complained to esure that it had repeatedly given poor service and conflicting information about NCD and additional premium.

By final responses dated mid-November and late November 2021, esure offered Miss P and Mr H compensation of £50.00. Unhappy with that, Miss P and Mr H brought their complaint to us in early February 2022.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. He thought that esure had agreed to accept Miss P's evidence as proof of 18 years NCD, which its policy wouldn't normally permit. So he thought that Miss P had benefitted from the errors. He recommended that esure should pay Miss P and Mr H a total of £150.00 (including any payments esure had already made).

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Miss P and Mr H and to esure on 21 July 2022. I summarise my findings:

I didn't doubt that esure caused both Miss P and Mr H upset and inconvenience and loss of expectation. It led her to believe it would accept her NCD but then said that it needed proof. Mr H then became involved and esure has also caused him frustration in its contacts with him.

That had gone on since last autumn. I didn't consider that the final response offering £50.00 served as much of an apology. And esure's handling of their complaint took months to reveal the background to it. I accept that this has added to Mr H's sense of mistrust and frustration.

Weighing all this up, I was minded to find it fair and reasonable (by way of an apology) to direct esure to pay Miss P and Mr H (jointly and insofar as it hasn't already paid either of them) £250.00 for distress and inconvenience.

Subject to any further information from Miss P and Mr H or from esure, my provisional decision was that I upheld this complaint in part. I intended to direct esure Insurance Limited to pay Miss P and Mr H (jointly and insofar as it hasn't already paid either of them) £250.00 for distress and inconvenience.

Miss P and Mr H accepted the provisional decision.

esure accepted the provisional decision, but it said it had already paid £50.00.

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.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. We look at a consumer's complaint against an insurer or other regulated financial firm. If we uphold a complaint about an unfair act or omission, we look at the impact on the complainant. We assess compensation for that impact. We don't usually direct a firm to change its business processes.

I accept that esure's older internal article or internal policy document should have been superseded in 2018. That is because, from 2018, esure increased its maximum NCD to 20 years. If a consumer were to claim more than the maximum number of years NCD, then that didn't make any difference to the NCD or the premium.

That change forms the background to the conflicting information esure gave to Miss P and Mr H.

From the recordings of the calls in autumn 2021, I find that many of esure's staff said that it would accept evidence of 9+ years as evidence of 18 years NCD. Mr H's call in Spring 2022 shows that at least one of esure's staff was still saying that.

I find it likely that esure has given similar information to other policyholders in Miss P's position. But that does not change the impact on Miss P and Mr H.

I consider it fair to reach my decision without seeing the briefing note. I say that because the background to the conflicting information was the failure by staff to take note of the change and the briefing note in 2018; and that background does not change the impact on Miss P and Mr H.

I characterise esure's incorrect information as a persistent error. I don't share Mr H's view that esure has knowingly provided false information to him – or withheld relevant evidence from us.

I have no reason to doubt that Miss P had 18 years NCD. But she didn't have written evidence of all of those years. Her previous insurer had only given her evidence of more than 9 years.

Miss P rightly expected that 18 years NCD would be better. And that's borne out by esure's request for an additional premium of about £40.00.

By later agreeing to accept 18 years NCD without further proof, esure did provide a benefit to Miss P – albeit of only about £40.00.

I don't doubt that esure caused both Miss P and Mr H upset and inconvenience and loss of expectation. It led her to believe it would accept her NCD but then said that it needed proof. Mr H then became involved and esure has also caused him frustration in its contacts with him.

That has gone on since last autumn. I don't consider that the final response offering £50.00 served as much of an apology. And esure's handling of their complaint took months to reveal the background to it. I accept that this has added to Mr H's sense of mistrust and frustration.

Putting things right

Weighing all this up, I find it fair and reasonable (by way of an apology) to direct esure to pay Miss P and Mr H (jointly and insofar as it hasn't already paid either of them) £250.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I direct esure Insurance Limited to pay Miss P and Mr H (jointly and insofar as it hasn't already paid either of them) £250.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Miss P to accept or reject my decision before 1 September 2022.

Christopher Gilbert

Ombudsman