

The complaint

Mr T is unhappy with esure Insurance Limited's handling of a claim he made on his car insurance policy.

References to esure include its agents acting on its behalf.

What happened

Mr T had a car insurance policy with esure and phoned to make a claim when he was involved in an accident. He says the agent he spoke to failed to phone him back when the line disconnected, and left him and his wife stranded on the motorway. He says the police arranged for the car to be recovered to a local garage, he had to hire a car for his onwards travel and he thinks esure should cover the hire costs. Mr T is also unhappy esure didn't arrange for the items in his car to be returned to him when it said it would. And he doesn't agree with its valuation of his car.

esure said there was no cover for onward travel, so it didn't think it needed to cover the cost of Mr T's hire car. It said the engineer had deemed the car a total loss in line with the terms of the policy. It recognised it was taking longer than expected to have Mr T's personal belongings returned to him. And it accepted the initial phone call Mr T had with its claim's handler wasn't to the standard it would expect. It paid £200 compensation for the aspects of the service it provided that had let Mr T down.

Mr T didn't agree with esure's findings and brought his complaint to our service. Our investigator didn't think the complaint should be upheld. He didn't think esure needed to reimburse Mr T for the hire car. He thought esure had weighed up sufficient information in deciding Mr T's car was a total loss, and it had fairly valued his car. He said esure had tried to contact the recovery company for Mr T's belongings but hadn't received a response, so didn't think it could be held responsible for the non-return of the items. Our investigator also thought esure had fairly compensated Mr T for the poor service he had received.

Mr T didn't accept our investigator's opinion and asked for an ombudsman's decision. He said:

- Had he not been lucky enough to get a lift by the police transport driver he was effectively left stranded on the motorway by esure with no assistance.
- He thinks he had no choice but to hire a vehicle, because esure didn't call back with any options or help.
- He says esure promised to return his goods but failed to do so even when he told it where they were. So, he says he holds it responsible for £700 of losses.
- He also says he was told it would have its investigator assess the damage to the car, but even after several requests it didn't show evidence that they had assessed the damages apart from reviewing the photographs he sent. He says he didn't want the car written off, he wanted it repaired.

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 partially uphold this complaint and I'll explain why.

Firstly, I'd like to reassure Mr T that I've considered everything he and esure have said, but I've not commented on it all in my decision. Instead, I've focused on what I think are the key issues and explaining what is important to the decision I've reached.

Hire car

I've considered the terms and conditions of Mr T's policy and I don't think it included cover for onward travel or to get him home after an accident. So, I don't think esure was required to get Mr T to his destination.

The terms and conditions of the policy also state:

"If you make a claim under Section 2 or Section 3 of your policy and we decide that your car is a total loss or it has been stolen and not recovered, we will provide a hired car by the end of the next working day ..."

While Mr T's policy did include car hire cover, I find this provision was only available once the car was assessed and deemed a total loss. This is a common term found in car insurance policies and I think it's reasonable.

Had esure arranged the recovery of Mr T's car, it confirmed the recovery agent would've taken him to the nearest safe place. Therefore, I'm satisfied Mr T would still have been responsible for arranging his own onward travel following the accident. And, on balance, I think it's likely he would've still needed to hire the car. Ultimately, I find the hire car was an uninsured loss Mr T would have incurred regardless, so I don't think esure needs to refund this cost.

Engineers assessment

The terms and conditions of the policy entitle esure to settle the claim however it sees fit. That said, we would still expect it to do so fairly and reasonably. I understand Mr T thinks esure should've had the car inspected, but I don't think it had to. It's for esure to determine whether it thinks a physical inspection is required, and I'm not persuaded it would have made a difference to the outcome of the claim.

While a physical inspection might have revealed the full extent of the damage, its engineers reviewed the photographs of the damage and from what they saw they thought it would cost over £3,000 to repair Mr T's car, but they valued the car at £2,250. As such, they deemed it a total loss.

I appreciate Mr T didn't want the car written off and thought esure would discuss it with him beforehand, but I don't think it had to and I can't see that he was told it would. The engineer thought the cost of the repairs would be higher than the car's value. I think it's reasonable for an insurer to write off a car if it deems it uneconomical to repair.

Prior to the engineer's review, Mr T stated he wanted to retain the car and have it repaired by his own garage. While it may not have provided him with an engineer's report, I've listened to the phone call with the engineer and I'm satisfied Mr T was told he could retain the car, but he chose not to. Even if Mr T retained the car, I don't think it would have

changed esure's decision to declare it a write off. Ultimately, I'm satisfied esure applied the terms fairly and its decision was reasonable.

Valuation

This service's role isn't to work out exactly what the value of an individual vehicle is. We look at whether the insurer has applied the terms of the policy correctly and valued the vehicle fairly. Under the terms of Mr T's policy, esure must pay him the market value of the car, less his excess.

The terms define market value as:

"... the amount you could reasonably have expected to sell your car for on the open market immediately before your accident or loss. Our assessment of the value is based on cars of the same make and model and of a similar age, condition and mileage at the time of accident or loss"

esure used valuation guides to determine an estimated pre-accident value for Mr T's car. Its common practice in the industry to use valuation guides to work out an estimated value for a car, and I don't think it's unreasonable it does so. This is because, the guides are based on national research on likely selling prices for similar cars of a similar age and mileage for sale at the time of the loss. We usually find these are more reliable than individual adverts which can vary greatly in price.

Our investigator carried out a search using the same guides esure relied on. These produced values of £2,095, £1,036, and £3,050. I accept Mr T's may have been a limited-edition imported car, but I don't think that means its valuation would be higher. We often find imported cars sell for a lower price than UK registered versions. Nevertheless, I've looked at advertised prices for similar cars, and the prices I've seen ranged between £1,700 to £3,450, however the cars priced higher than esure's offer, all had a significantly lower mileage than Mr T's car did.

Therefore, I'm satisfied the valuations produced by the guides are fair. esure's valuation of £2,250 falls within the range of figures the guide's produced, so I think it's reasonable.

Personal belongings

esure said it would instruct its agents to pick up Mr T's car and belongings, and I think it's reasonable he relied on what was said. He later informed esure his belongings hadn't been returned and were still with the third-party recovery agent. Even though Mr T phoned several times to query this, I can't see esure made any further attempts to contact the recovery company until several months later. This was after the complaint had been brought to our service. I understand the policy only requires it to cover the loss or damage of goods, however, I think it could have done more to support Mr T, or at the very least informed him if it couldn't.

esure has now agreed to pay an additional £500 in compensation for the loss of the belongings and the upset its actions caused. Mr T's policy includes cover for personal belongings, but the cover limit is £150, which is less than it's offered. Mr T has listed items he says were left in the car and estimates the cost to have been around £700. However, he hasn't provided enough evidence to support the costs he has claimed for. Considering these items wouldn't have been brand new, they're unlikely to have been of the same value as new items. In light of all this, and the impact of its error on Mr T, I think the offer is fair in the circumstances.

Customer service

Mr T feels esure abandoned him and his wife following the accident, but I find the next steps were made clear to him. During the conversation with the call handler, it was decided that the police would be recovering the car to a local garage. Mr T agreed with the call handler that he would phone back when the car was in the garage, but I can't see that he did.

Nevertheless, an accident is always stressful and can be traumatic and I think the phone call with the agent would've been distressing in what was already a difficult situation for Mr T. As I mentioned above, the policy didn't include cover for onward travel, and I think the agent should have made it clear esure would only assist with arranging onward travel, but it would be at his own cost.

esure accepts the initial telephone call Mr T had with its agent could have been better. I also think esure could have communicated better with Mr T during the claim. It's acknowledged that its service could have been better. I understand the process has been frustrating and upsetting for Mr T. esure paid him £200 compensation for the poor service he received, and I think that's fair.

My final decision

esure Insurance Limited has offered to pay £500 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that esure Insurance Limited should pay £500 in addition to the £200 they already offered Mr T.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 29 September 2022.

Oluwatobi Balogun
Ombudsman