

The complaint

Mr B complains about how esure Insurance Limited trading as esure ("esure") handled his claim after his car was hit by a third party. Mr B is also unhappy he had to pay the excess despite the accident not being his fault.

What happened

Mr B has comprehensive motor insurance for his car. The period of insurance began in February 2022. The policy covers the car against accidental damage, loss, or damage caused by fire or theft.

Unfortunately in May 2022 Mr B's car was hit by a third party who was involved in a police chase at the time of the incident.

Mr B reported the accident to his insurer and provided all the necessary documents and information to support the claim a few days later.

Mr B says esure took no action in respect of his accident for three months. As a result of the delays he had to pay the policy excess when his car was repaired in August.

Mr B says the claim should have been dealt with in a timely manner and if it had esure would have been able to establish that the incident wasn't his fault. It would also have meant the witness would have more of a recollection of events, and the police would have been able to provide esure with the information it required. Mr B has been chasing esure for updates but received no response.

Mr B says it has been established the other driver was also insured by esure and he believes this has led to esure not establishing a no-fault claim as it would have to bear the costs. Mr B wants his excess refunded and for esure to guarantee his premium won't increase as a result of the claim.

Esure said it wasn't able to record the claim as 'non-fault' since investigations into the accident were ongoing. It explained the third party had denied involvement and so esure would need to secure evidence to show this was not the case. It said it had given instructions to take a statement from the witness and to obtain the police report. Esure said it was following its process and were handling the claim as proactively as possible. It acknowledged there were some delays at the outset of the claim and apologised for this. In recognition of the delays it compensated Mr B with £150 and a refund of his excess, which amounted to £800. Esure also said it had recorded the claim as 'not responsible' while investigations were ongoing.

Mr B wasn't happy with the response from esure and so he referred his complaint to this service. Our investigator looked into things for him. He said whilst he could see there were delays at the outset of the claim, he thought the fact the excess had been refunded, and compensation paid for the delays, together with the fact esure had recorded the claim as being non-fault despite there being an open claim, were fair and reasonable steps taken by the insurer.

Mr B didn't agree with the outcome. He said he wanted compensation for the increase in premium as a result of the delay. Esure didn't agree to increase the compensation paid. And so the complaint has come 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.

It's important to explain my role here is to look at whether esure acted in a fair and reasonable manner, and within the terms and conditions of the policy in the handling of the claim.

I know Mr B has said he feels esure has treated him unfairly on purpose, and the fact the third-party driver is apparently also insured by esure has impacted how it has handled his claim. I am sorry he feels this way but I haven't seen anything that persuades me this is the case.

Contacting various parties to the accident

Mr B is unhappy esure didn't contact the police or witnesses more quickly after the accident was reported. He feels esure could and should have done more to speak to the various parties to the incident in order to obtain an admission of liability.

Esure said its priority at the time the incident was reported was to deal with Mr B's repairs as quickly as it could. But it did accept there was some initial delay in progressing the claim when it was first reported. Esure paid Mr B £150 to reflect the distress and inconvenience caused by the shortcomings in its service. I'm satisfied this is a fair and reasonable offer. I say this because I think it fairly recognises the upset caused to Mr B in relation to the above.

Mr B says had esure contacted the other parties more quickly it would have been able to establish liability. But there is no guarantee this would have been the case. There is a backlog with obtaining police reports, and the driver of the vehicle was unknown. So I think it's unlikely an admission of liability would have been forthcoming regardless of whether esure contacted the other parties any sooner than it did. And I can't fairly hold esure responsible for the actions of the other parties.

Non-fault claim and policy excess

I can see this incident and its consequences have had a significant impact on Mr B. I can understand when the claim was recorded as a fault claim it would have shocked and upset him since the incident wasn't Mr B's fault. But generally claims are initially recorded as fault claims until they are resolved and any monies paid out are recovered. So whilst I understand Mr B is upset by this, it is standard practice by insurers and I don't think esure did anything wrong here. I note that despite the claim remaining open esure has amended the way it recorded the accident to 'non-fault' despite having no guarantee it will recover its outlay. Esure has also reimbursed Mr B for the policy excess – which he was always liable to pay under the terms of the policy.

Increased premium

It is important to explain we are not the industry regulator. That means it's not my role to tell an insurer how much it can charge for its policies. And our service generally takes the view

that provided it treats people fairly an insurer is entitled to charge what it feels it needs to in order to cover a risk.

Mr B isn't happy his insurance premium has increased following the accident. But since esure hadn't been able to recover its costs from the third party the incident was initially recorded as a fault claim. And this has meant his premium has increased. The increase is in line with esure's usual practice and is standard practice across the industry. So I don't think esure has done anything wrong in increasing the premium.

Compensation

Mr B wants esure to pay him the difference in his policy premium by way of compensation but as explained since I don't think it acted unfairly in increasing the premium, I can't ask it to refund the difference. The insurance contract is an annual one and consumers aren't obliged to accept the renewal terms they are offered if they are unhappy with them.

Having reviewed the documentation it's clear to me an award was due to Mr B for the distress this whole episode caused. I can see there was some delay in progressing the claim when it was initially reported and Mr B has been frustrated at having to chase esure for updates and information. I think this was unfortunate but I'm pleased esure recognised it could have provided a more proactive and transparent process at the outset and paid £150 for the distress and inconvenience caused. It also reimbursed the £800 excess and recorded the matter as 'non-fault' while its investigations are ongoing. I think this is a fair award for the level of upset caused during the claim.

I understand Mr B is very unhappy with this matter. And that is understandable given what's happened. But esure has accepted there were some delays initially and compensated Mr B accordingly.

I know my answer will be disappointing for Mr B. esure has accepted the service fell below what would be expected and has paid Mr B £150 to reflect this. esure has also refunded his policy excess of £800 and recorded the claim as non-fault. I think the compensation paid fairly reflects the distress and inconvenience caused to Mr B and in line with what I would have suggested had an offer not already been made.

My final decision

esure Insurance Limited has already paid Mr B £150 to settle the complaint, as well as reimbursing the policy excess, and I think this is fair in the circumstances, so I won't be asking it to do anything more.

Under the rules of the Financial Ombudsman Service

I'm required to ask Mr B to accept or reject my decision before 20 July 2023.

Kiran Clair
Ombudsman