

## **The complaint**

Ms F has complained that esure Insurance Limited incorrectly cancelled her car insurance policy. Ms F was stopped by police for driving uninsured.

## **What happened**

In November 2022 Ms F renewed her car insurance policy with esure by phone and paid the yearly premium in full. In December 2022 she was stopped by police while driving as her car wasn't showing as insured on the Motor Insurance Database (MID).

After the police discussed the matter with esure, it was established that esure had cancelled Ms F's policy in error immediately after renewing it. esure agree to provide indemnity for Ms F and so the police took no further action and Ms F was allowed to drive home.

Ms F complained to esure. She was unhappy that esure had cancelled her policy and she hadn't received a refund of the yearly premium. esure asked Ms F to pay for a replacement policy while it investigated where the refund had been issued to. Ms F thought this was unfair as she was out of pocket.

In February 2023 esure upheld Ms F's complaint. It apologised for cancelling her policy in error. It said the reason was because the agent took a call - after speaking to Ms F - from a customer who wanted to cancel their policy. The agent cancelled Ms F's policy instead - and didn't send the refund to Ms F. For the distress and inconvenience caused, esure said it would pay Miss F £250 compensation and refund the premium back to her.

esure said it was for Miss F to arrange a replacement policy as she hadn't bought one with esure.

Ms F contacted esure on two more occasions over a period of two months to chase for the refund and compensation payments. On the first occasion esure apologised and increased the compensation award by £150, so £400. On the second occasion it said it needed new payment details from Ms F to process the refund.

Ms F received the £400 compensation award and premium refund on 25 April 2023.

Our Investigator recommended esure pay a further £100 for the distress and inconvenience it caused.

Ms F accepted the Investigator's view. esure didn't reply. So the case has 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.

There's no dispute that esure incorrectly cancelled Ms F policy immediately after she renewed it and paid the yearly premium. I can understand Ms F's upset and worry after being stopped by police - and the ongoing worry she's described between December 2022 and February 2023 when esure replied to her complaint. Ms F explained that she didn't want

to pay for another policy with esure until she'd received a refund of her premium - which esure had failed to refund to her when it cancelled her policy. I can understand why Ms F didn't want to do this. She said she was worried about being stopped by police again during this time.

Ms F explained that when she received esure's reply to her complaint on 10 February 2023, she had to arrange alternative cover as it seemed esure was no longer providing indemnity. However, esure failed to refund the premium as promised until 25 April 2023, over two months later. And so Ms F said she was out of pocket during this time.

I think the compensation esure paid totalling £400 goes some way to reflect the distress and inconvenience caused. I can appreciate that it must have been very upsetting for Ms F to have been stopped by police. Fortunately her car wasn't impounded as a result and she was able to drive home. But I think a fairer compensation award is £500. From its notes, esure checked on 13 January 2023 while investigating the complaint and found that Ms F's car was still not showing as insured by it on the MID. I think esure could have offered to reinstate Ms F's policy much sooner to put her back in the place she would have been but for their error.

### **My final decision**

For the reasons I've given above, my final decision is that I uphold this complaint. I require esure Insurance Limited to increase the compensation it paid Ms F by a further £100 in addition to the £400 already paid for the distress and inconvenience caused.

esure Insurance Limited must pay the compensation within 28 days of the date on which we tell it Ms F accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 9 October 2023.

Geraldine Newbold  
**Ombudsman**