

## **The complaint**

Mr A complains about how esure Insurance Limited (“esure”) handled and settled a claim under his motor insurance policy.

## **What happened**

Mr A had a motor insurance policy with esure covering his car.

In April 2023 Mr A’s car was heavily damaged in a collision with a third party who turned right across his path. He made a claim.

esure assessed his car as being beyond economic repair. It said it would declare the car a write-off and assessed its market value as about £18,880.

Mr A didn’t agree with this valuation and he complained. He’d recently bought his car and thought it should be worth more. He also complained about esure’s handling of his claim. esure initially recorded the claim as Mr A being “partially liable” and deducted his excess from the amount it paid.

esure upheld part of his complaint and offered him £125 compensation for its service.

Mr A remained unhappy with esure’s response and brought his complaint to this service.

Our investigator looked into his complaint and upheld it in part. esure didn’t provide its claims file, so she issued a view on the information she had. She said she didn’t think esure had offered Mr A enough for his car and thought the value should be £19,809 plus interest at 8% simple. But she thought esure’s compensation for its service was fair and it’d explained why it had taken the approach it had on Mr A’s potential liability for the collision.

Mr A accepted the view but esure didn’t. Because it didn’t agree, this complaint has been passed to me for a final decision.

## **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.

I’ve read the file of information about Mr A’s collision and subsequent claim carefully. From the information I have, it seems to me that Mr A’s claim is now settled and esure has said he retains his No Claims Discount. I’ll explain what I think this means below, but I can also see Mr A has also been contacted by esure since his claim was settled, and he’s struggling to understand why.

In his approach to this service, Mr A raised issues with the valuation of his car and esure’s service. I’m able to make a decision on the matters that arose up to when esure issued its final response to him. Mr A is free to complain to esure about the ongoing problems he’s having, and to this service in due course if he remains unhappy.

I can see from Mr A's evidence that he wants to bring this matter to an end after over seven months for what he thinks should have been a relatively simple claim when a third party turned right across his path. I'm upholding Mr A's complaint and I'll explain why.

I can see Mr A accepted the valuation proposed by our investigator. The approach of this service is to use trade guides to arrive at a valuation for the vehicle. I've looked into these trade guides and I can see the following values:

Trade Guide A £19,515

Trade Guide B £19,160

Trade Guide C £20,562

Trade Guide D £20,000

The average of these four trade guides is £19,809. Esure didn't provide evidence about why it didn't agree with the valuation. As Mr A has accepted it, I think esure need to settle his claim at this market value, subject to the policy terms and conditions.

Because of the time that's passed since the collision and claim, I also think esure need to add interest at 8% simple from two weeks after the claim was reported, to the date payment is made. From the file, I can see interim payment(s) have been made to Mr A, so for clarity this interest should apply to the increased amount esure needs to pay as a result of my decision.

Having looked at the details of Mr A's collision and claim I can see he suffered poor service from esure from the beginning. Its initial treatment of his claim included him being held partially liable for the incident and I can see Mr A strongly objected to this assessment. I can also see this has been explained to him and I hope he's accepted why insurers often have to take this approach.

It's important I say that insurers do this until they are able to recover their costs. So for Mr A this meant esure deducted his excess and held him at some degree of fault until the claim was settled by the third party. I can also see that esure has now told Mr A he's retained his No Claims Discount entitlement. What this usually means is he's not been found to be at any fault for the collision, and he needs to check with esure about this.

In later correspondence with this service Mr A also mentions he wants to make sure there's no impact on his future premiums as a result of the collision. Any type of claim, whether fault or non-fault, will likely form part of an insurer's assessment about Mr A and so it will probably affect his premium in future until it 'drops off' his records.

I've looked at esure's offer of compensation to Mr A of £125 and I can see he's accepted this. So I think this is the amount it reasonably needs to pay for his distress and inconvenience.

### **My final decision**

My final decision is that I uphold this complaint. I direct esure Insurance Limited to:

- Pay Mr A £125 compensation for his distress and inconvenience. If this has already been paid then it can be discounted.
- Settle Mr A's claim for a market value of £19,809 subject to the remaining terms and

conditions of his policy. Interest at 8% simple should be added to the increased amount esure needs to pay over what's already been paid.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 January 2024.

Richard Sowden  
**Ombudsman**