

The complaint

Miss H complains that she had to pay an excess fee to esure Insurance limited (esure) when she wasn't at fault for an accident as well experiencing delays and poor service when it handled her claim, under her motor insurance policy.

What happened

Miss H says she was involved in an accident that wasn't her fault. The other driver collided with the rear of her vehicle whilst it was stationary. She made a claim to esure and it arranged for the repairs to her car and provided a hire vehicle. Miss H says she had to pay her excess fee to the repairer. This was despite the claim being treated as non-fault.

Miss H says the accident occurred in November 2022, but the excess fee wasn't refunded until June 2023. She says she had to contact esure for updates. This meant spending long periods on hold when calling its contact centre. She says emails were also unanswered. Miss H also says she had to pay for a prescription as a result of the accident and received correspondence in someone else's name.

In its final complaint response esure says the excess fee is always payable when a claim is made. This is regardless of who is considered responsible for the accident. It says that as Miss H had motor legal protection it was able to approach the other insurer for her excess when it was recovering its costs. esure says there's no timescale for this process but it expects this to happen within six months.

esure apologised to Miss H for the issues she experienced when calling its contact centre. It also paid her £50 compensation.

Miss H didn't think esure had treated her fairly and she referred the matter to our service. Our investigator upheld her complaint. He says the business should pay a further £100 compensation for the impact of its poor customer service. Our investigator says esure should liaise with Miss H to consider her claim for prescription costs if it hasn't already done so.

esure didn't agree that it should pay more compensation and asked for an ombudsman to consider the complaint.

It 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.

Having done so I'm upholding Miss H's complaint. Let me explain.

I've read Miss H's policy terms and conditions. I can see from her policy schedule that she agreed to pay a "*voluntary vehicle damage*" excess fee for £100 in the event of a claim. In the policy booklet under the section entitled, "*Meaning of words and terms*" it says:

“excess, excesses – The amount you must pay towards any claim for loss or damage to your car or other specified instances of damage or loss. The amounts are shown in your Schedule.”

The claim records show esure wrote to Miss H in November 2022 after she made her claim. The letter says:

“Excess - Your policy excess of £100 must be paid to the repairer when repairs are complete.”

The letter also says esure’s recoveries department will be handling the claim against the other party. It asks Miss H for any supporting information she may not yet have provided. It explains it will send its costs and allegations to the other party once all payments relating to the damaged vehicle are finalised. The letter says recovery of costs will depend on how quickly the other party’s representatives act. But that it generally expects this to take around four to six months.

I can see that esure wrote to the third party’s insurer requesting that it reimburse its costs, including Miss H’s excess fee. This was eventually paid, and Miss H received her excess fee back around the end of June 2023.

I can understand why Miss H felt it was unfair that she had to pay this fee. She describes how the accident wasn’t her fault, which was later confirmed when the third party’s insurer accepted liability. But Miss H’s policy terms are clear that an excess fee is payable in the event of a claim, regardless of who is responsible for the accident. This is referred to as an uninsured loss.

esure was able to request Miss H’s payment back from the third-parties insurer. This was then paid to her. Unfortunately resolving insurance claims can take some time. But we do still expect esure to treat its customers fairly and handle claims effectively. In this case it took around seven months to refund Miss H’s excess payment. I can understand that this caused frustration and was distressing for her. But based on what I’ve read I don’t think esure is responsible for the time it took for her excess fee to be refunded. The business was reliant on the other insurer making this payment before it could be refunded to Miss H.

That said I can see from the claim records that there were numerous occasions when Miss H contacted esure and had to wait for long periods to get through to an agent. The records indicate follow up responses to Miss H’s contacts weren’t always acted upon. She’s also provided evidence of some emails that didn’t receive a response. In addition to this esure wrote to Miss H about a male customer unconnected to her claim.

Having considered all of this, I don’t think esure provided Miss H with a good standard of service. She explains how the accident was traumatic for her and the lack of updates she received exacerbated the anxiety she felt. In these circumstances given the impact the poor standard of service, and mistake when using another customer’s name, had on Miss H I agree with our investigator that it’s fair that esure pays her a further £100 in compensation.

I note what Miss H says about a prescription charge resulting from pain caused by the accident. I can’t see that this was raised as part of her claim or complaint to esure. From what esure says this would need to be raised as an injury claim. Miss H will need to contact esure to pursue this.

My final decision

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

- pay Miss H an additional £100 compensation for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 23 March 2024.

Mike Waldron
Ombudsman