

The complaint

Mr C complains that esure Insurance Limited poorly handled his motor insurance claim and information request.

What happened

On 18 June 2023 Mr C's electric car was damaged and he made a claim to esure, who collected his car the same day. A few days later the garage sent esure a quote for the damage.

Mr C chased esure for updates and offered to send it information to help assess the value of his car.

At the beginning of August 2023 esure offered Mr C a settlement for his car, which it said was a 'total loss' due to the cost of repairs exceeding the car's value. Mr C didn't agree the valuation was fair and sent esure the information about its value that he'd earlier offered to send. esure's engineer said he would return to Mr C the next day but then did not do so and Mr C had to chase again.

On 9 August 2023, a settlement figure was agreed at around £1,000 more than esure's original offer, to be paid within five working days. As the car was subject to finance, the payment had to be sent to the finance company.

Mr C then had to spend further time on the phone chasing the claim payment and said esure gave him incorrect and conflicting information. It later told Mr C the payment was made to the finance company on 30 August 2023.

In the meantime, Mr C asked esure to send him information about the claim to prepare a complaint. In early September 2023, he escalated his complaint through social media.

esure then called Mr C about his complaint. esure accepted it had given Mr C a poor service, there had been delays in dealing with his claim and it had given him incorrect and misleading payment information. esure paid Mr C £300 compensation for his distress and inconvenience and said it would also pay him £210 to reflect the loss of use of his car. esure said it would send feedback about the information request to the relevant department.

In mid-September 2023 Mr C received esure's response to his information request. He complained that esure had processed it as a data subject access request ('DSAR') rather than as an information request even though he'd specifically told esure that it was not a DSAR request. esure also included only call recordings, not the transcripts that he'd requested.

Mr C complained to us about the claim delay and esure's handling of his information request. He said esure had failed to follow its the Financial Conduct Authority's (FCA) High Level principles and the recently introduced Consumer Duty.

Mr C said that he'd taken a lot of time away from work to call esure. This had caused him

reputational damage because it was during his probationary period in a new job. He wanted esure to pay compensation based on his professional hourly rate. Although he'd received the £300 from esure, it had not made the £210 payment for loss of use.

Mr C also explained that esure's handling of the claim had caused him stress to the extent he'd suffered headaches and his stress had continued after esure had made its offer. esure had not addressed his complaint about the information request. He thought £750 compensation was fair for his distress and inconvenience.

Our Investigator explained that the Consumer Duty was not in force at the time of the event Mr C had complained about. But in any event it was not in dispute that esure's service had been poor and had caused Mr C distress and inconvenience. Having considered all the circumstances, our Investigator thought the compensation of £510 in total was fair and he reminded esure to pay Mr C the £210 for loss of use.

Mr C did not agree the compensation was fair. It had been offered to him before esure had looked into his information request complaint. He asked for an Ombudsman's review and all his correspondence to be on the case file for consideration. Although his claim was made in June 2023, his claim and complaint had continued beyond 31 July 2023 when the Consumer Duty came into force.

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've decided esure's compensation offer to Mr C of £510 for the impact of its poor service and delays was a reasonable one. I understand Mr C will be disappointed by this but I'll explain why I've made this decision.

I'll focus on what I consider to be the central issue in this complaint, which is the amount of compensation that esure offered Mr C. I would like to reassure Mr C that I have read and considered all the evidence including the emails setting out his concerns.

I've considered the obligations placed on esure by the FCA. Its Insurance: Conduct of Business Sourcebook (ICOBS) includes the requirement for esure to handle claims promptly and fairly, and to not unreasonably decline a claim.

Mr C has referred to the Consumer Duty. This was introduced on 31 July 2023 and is not retrospective, so it doesn't apply to this complaint as the event being complained about happened before the Consumer Duty was introduced. However, I have considered the rules and standards that were in place at the time, as set out above and I'm satisfied the service given to Mr C fell below those standards.

esure has accepted that it took too long to settle Mr C's claim and it is not in dispute that it didn't handle his claim either promptly or fairly. esure was entitled to have time to investigate the claim and make its decision, but I can see esure accepted it took too long to assess that Mr C's car was a total loss and to make him an offer for its value. Mr C had already explained to esure that it might want some additional evidence to establish its value, but it did not ask for this evidence until after making its first offer. If it had, I think it could have made the offer that Mr C ultimately accepted sooner.

There was no cover under Mr C's policy for a courtesy car. But, as esure itself accepts, it should have declared his car a total loss and agreed a valuation with Mr C earlier than it did. After the valuation was agreed, Mr C had to chase esure for the payment to be made to the

finance company. So I think it was fair for esure to offer Mr C a payment to reflect the impact of this delay. I think £210 is fair to reflect the amount of time it took esure to settle his claim.

esure also accepts that Mr C was left waiting on the phone for too long when chasing progress and that he was given incorrect and conflicting information about the claim payment. Mr C was frustrated that his information request was not handled in the way he'd specifically requested.

I've carefully considered all that Mr C has said about the impact on him of esure's poor service. I can understand it was inconvenient and stressful for him to chase esure for progress and this should not have been necessary.

I don't consider I can fairly require esure to pay compensation based on Mr C's professional hourly rate for his time spent dealing with a personal matter. I've thought about what he's said about making personal calls during his working hours, but I don't think the timing of his calls and any impact on his professional reputation can fairly be said to be esure's responsibility. There is always some inconvenience with any claim and what I'm considering is the additional inconvenience caused by esure's poor service.

In my opinion, esure's offer to Mr C of £510 compensation was a fair and reasonable amount and fairly reflected his distress and inconvenience caused by its delay and poor service. Mr C has made the point that esure paid him this compensation before it sent him the information he'd requested and so it had not included any compensation for its handling of his request.

I see that Mr C asked made his information request on 16 August 2023 and esure's complaints handler sent feedback to the relevant department as part of her complaint response. esure responded to the information request on 14 September 2023.

But I don't think the time taken to provide the information or the format of the response further delayed the payment of his claim or prevented him from referring his complaint to this service. He had wanted a transcript of the calls to help prepare his submission but as our Investigator explained we did not need this information to begin looking into his complaint.

I consider esure's total offer of £510 to be fair and reasonable in all the circumstances and taking into account the further issues Mr C experienced after esure made its offer to him, including the delay in sending the £210 payment. Whilst the additional issues added further inconvenience and frustration, I'm not satisfied they warrant a further payment for distress and inconvenience in addition to the £510 offered by esure.

My final decision

I don't uphold this complaint in the sense that I consider esure Insurance Limited's compensation payment to Mr C of £510 in total was a fair and reasonable way to resolve it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 April 2024.

Amanda Maycock
Ombudsman