

The complaint

Mrs A complaint about how esure Insurance Limited handled a claim on her car insurance policy. She was also unhappy with the settlement offer after her car was written off.

What happened

Mrs A took out a policy with esure in January 2023. Unfortunately, Mrs A was involved in an accident in July 2023. She contacted esure who advised they would collect her car. In late evening, Mrs A was informed that no job had been created for recovery and so she arranged and paid for the recovery herself.

esure assessed the car and decided it was a total loss. They deemed the market value of Mrs A's car to be £7,169.

Mrs A was unhappy with the market value of her car and so raised a complaint. Mrs A has also raised complaints about the service she's received. Mrs A has raised the following complaint points:

- Market value isn't high enough
- Delays in arranging a personal injury physio appointment
- Claim not dealt with in a professional manner
 - Not given accurate information
 - Long hold times to get through
- Delays in making payment of the settlement
- Not being offered the chance to buy the salvage
- She's out of pocket as a result of the claim
 - She had to pay for the car to be recovered
 - She had to pay for a taxi to see her doctor
 - She'd paid for a warranty on her car which hasn't been refunded

At the time of bringing her complaint to our service, esure had only issued a final response on the valuation of her car. They didn't uphold the complaint and thought the amount offered was fair.

On 28 November 2023, esure made a further offer to Mrs A. They increased their market value offer to £7,251. They also apologised for the delay in receiving payment and apologised for the poor service she has received. They offered Mrs A £250 compensation as

a result. They also offered to pay Mrs A £265 to cover the recovery cost. Mrs A didn't accept the offer. She didn't think the new valuation or compensation offer was enough.

Our investigator looked into the complaint and agreed with Mrs A. She upheld the complaint and asked esure to increase the compensation by £100 to £350. She also asked esure to increase the market value to £7,328. esure accepted our investigator's view but Mrs A didn't. She said that the original £250 was only for delays in making payment and didn't cover the service issues. She also said that she was without a hire car for three days due to returning it whilst on holiday which led to her son having to rearrange a dental appointment. Our investigator still felt their offer was fair and so the complaint has 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.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether esure acted in line with these requirements when considering the complaint.

At the outset I acknowledge that I've summarised her complaint in far less detail than Mrs A has, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

I think it's also important to set out what I've looked into. As a service, we'd usually look into a complaint up until the business has issued their final response. In this case, esure made an offer to Mrs A on 28 November 2023. So, in this complaint I'll be considering everything up until 28 November 2023. Both parties have been made aware of this prior to this decision being issued.

For clarity, I'll respond to each of the complaint points above separately:

- Market value isn't high enough

Mrs A's policy document sets out what she's covered for in the event of an accident. The terms set out the maximum esure will pay in the event of a claim is the market value of the car.

The policy defines market value as:

*'The **market value** is the amount **you** could reasonably have expected to sell **your car** for on the open market immediately before **your** accident or loss. **Our** assessment of the value is based on cars of the same make and model and of a similar age, condition and mileage at the time of the accident or loss. This value is based on research from motor trade guides including: Glass's, Parkers and CAP. This may not be the price **you** paid when **you** purchased the car.'*

As a service, to assess whether a reasonable offer has been made, we obtain valuations from four motor trade guides. These are used for valuing second-hand vehicles. We find these guides to be particularly persuasive. This is because their valuations are based on

nationwide research of likely selling prices. The guides take into account the exact vehicle variant and mileage for the date of loss.

esure used three trade guides, Glass's (£7,130), Percayso (£7,125) and CAP (£7,251). esure used an average of the three guides to come to their initial market value (£7,169). esure later increased their market value to £7,251 in line with the highest trade guide they checked. Our investigator also attained a valuation from Autotrader (£7,328).

As a service, we think insurers should base their settlement offer in line with the highest available guide unless there is sufficient evidence to persuade us otherwise. Mrs A has provided us with some adverts to support an increased market value. However, the adverts weren't all comparable to Mrs A's car. I'm not persuaded these adverts are enough to depart from our usual approach.

Our investigator set out that esure should increase the market value to £7,328 in line with the highest trade guide. I agree that this is fair in the circumstances.

Our investigator also said that esure should pay Mrs A 8% simple interest on the additional payment amount from 13 September 2023. esure has accepted this. I think this is reasonable.

- Delays in arranging personal injury physio appointment

Whilst under the policy terms Mrs A is covered for the cost of some medical expenses, there is no requirement for esure to arrange medical appointments. I can appreciate it must have been frustrating, but esure were doing this to limit the upfront costs to Mrs A. As this activity isn't covered under the policy and esure were doing it to help Mrs A, I don't think it's fair to award compensation for any delays in the appointments being arranged.

- Claim not dealt with in a professional manner

esure has accepted that the service provided could have been better. As such, I won't be going into this point in any further detail. esure has offered Mrs A compensation for the poor service and I've considered this below.

- Delays in making payment of the settlement

Again, esure has accepted there were delays and offered compensation so I won't be going into this point any further.

- Not being offered the chance to buy the salvage

From the available evidence, I can't see the Mrs A had raised about retaining her car until after the increased market value in November 2023. At this point, esure had informed Mrs A that the car would be written off over two months before. Whilst I accept that esure should have retained the car until the settlement had been agreed and finalised, I can understand why esure sold the salvage. There would likely have been storage costs and as previously mentioned, Mrs A hadn't declared that she wanted to retain the car. I don't think it's unreasonable in the circumstances that esure sold the salvage and so won't be asking them to do anything more on this point.

- Out of pocket expenses

esure has now offered to refund the recovery costs incurred by Mrs A. I think this is fair in the circumstances. I've also considered compensation for the recovery not taking place as

part of the compensation below. Mrs A has raised that there were delays in receiving the payment. This doesn't form part of this complaint as this happened after the offer in November 2023. Mrs A will need to raise this as a separate complaint with esure if she remains unhappy.

Mrs A paid £10 to see her doctor the day after she was involved in the accident. Mrs A was provided with a courtesy car at around 4pm on the same day. I'd only expect esure to cover any expenses where it had taken an unreasonable amount of time to provide a courtesy car. esure provided the car in around 24 hours. I don't think this is unreasonable, so, I don't think esure need to cover this cost.

Mrs A paid for a warranty on her car when she bought it. As the car has been written off, the warranty is now obsolete. The cost of the warranty isn't something that is covered by Mrs A's motor insurance policy, this is known as an uninsured loss. As Mrs A wasn't at fault for the accident, she would need to claim this cost from the third party's insurer. esure aren't liable for this cost. Mrs A does have motor legal protection insurance and she can claim under this policy to try to help recover this loss.

esure initially offered Mrs A £250 compensation for the service they'd offered. Our investigator increased this to £350. I've considered the circumstances and Mrs A's testimony carefully. Having done so, I agree with our investigator that £350 compensation is fair and reasonable.

Mrs A has said that she doesn't think the compensation offered by esure covers the service issues she raised with them. I don't agree. In their offer letter to Mrs A they state the following:

*'In addition to this, to apologise for the delay in you receiving the above reimbursement **and** (my emphasis) to apologize for the poor service you have received, I have arranged for £250 to be credited to the last payment method you used with us..'*

Our investigator sign-posted Mrs A to our compensation guidelines, which gives examples of the level of upset caused and the expected range of redress. I appreciate that it must have been frustrating for Mrs A to have to arrange the recovery herself, to be provided with incorrect information, have issues getting through to esure and having to rearrange her son's dental appointment. I'm sorry to hear that this impacted her mental health, and she required additional medication as a result. Although this is a distilled version of events, I've considered everything in the round and I think Mrs A has been caused considerable upset which has taken a lot of extra effort to sort out over several months. In line with our website guidelines, I think £350 compensation is fair and reasonable.

Putting things right

esure should do the following:

- Pay Mrs A the settlement based on a market value of £7,328
- Pay 8% simple interest* per year on the additional settlement amount from the 13 September 2023 to the date the additional amount is paid.
- Pay a total of £350 compensation

*If esure considers that it's required by HM Revenue and Customers to deduct income tax from that interest, it should tell Mrs A how much it has taken off. It should also give Mrs A a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue &

Customs if appropriate.

My final decision

My final decision is that I uphold the complaint. esure Insurance Limited must take the steps in accordance with what I've said under "putting things right" above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 11 July 2024.

Anthony Mullins
Ombudsman