

## **The complaint**

Miss B had a motor insurance policy with esure Insurance Limited. She says it provided poor service to her and didn't inform her when a claim was settled in her favour.

## **What happened**

Miss B's car collided with another car in August 2019. esure had concerns about the other driver's claims for vehicle damage and personal injury, so it disputed liability. The other insurer withdrew the claims on 18 October 2022, but esure didn't update Miss B, so she continued to advise other insurers of the open claim. That meant she paid more for cover than she otherwise would have done. Miss B complained to esure about that, about its long call-waiting times, and about not being updated about the claim's progress generally.

esure accepted that it should have told Miss B when the claim was withdrawn, and that she'd faced long waiting times when calling. It offered her £100 compensation. It didn't accept that she hadn't been updated generally. It said if she provided details to it from other insurers of the extra cost of cover they charged due to the open claim, it would consider refunding her.

One of our investigators reviewed Miss B's complaint. He thought esure should pay Miss B a further £100 compensation, as in his opinion it hadn't updated her properly about the claim's progress. And he pointed out that generally, other insurers provide partial refunds when a consumer can show that a previous insurer has resolved a claim in their favour. He was satisfied that esure had eventually recorded the accident as 'notification only', with Miss B's no claims discount ('NCD') being unaffected.

Miss B said other insurers hadn't agreed to provide any details for her to pass on to esure. She thought that as esure had caused the problem, it should resolve that issue and then reimburse her. The investigator said other insurers wouldn't provide details of their charges to esure, so her option was to make a formal complaint to any insurer that wouldn't co-operate with her. Miss B asked for a review of her complaint by an ombudsman.

## **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.

Although esure says it kept Miss B updated satisfactorily about the claim (apart from failing to tell her when it was settled) I don't think it did. There were very long gaps in its contact with her (the longest was 17 months). For much of the time, there may have been nothing new to report - and esure had no control over the other insurer's progress. But we think that even when there's little or no movement on a claim, regular updates (even just stating that enquiries are ongoing) will reduce a consumer's worry and stress. So I think a further £100 compensation (£200 in total) would be appropriate – and esure has agreed to provide it.

I can see why Miss B was frustrated by the long call-waiting times she faced when trying to contact esure, but we aren't able to instruct an insurer to change its processes. Only the industry regulator (the Financial Conduct Authority) can review such issues.

In terms of the increased premiums paid by Miss B, all insurers will take into account an open claim, as it's always possible it will be settled with the consumer held at fault. And it wasn't until more than three years after the accident that the claim was resolved in Miss B's favour. Had she known about that at the time, no doubt she could have renewed her cover at a lower price in 2023. But she should now be able to recover any extra sum paid that year from the relevant insurer. She should also be able to recover extra sums paid in previous years, based on the 2019 claim later being recorded as 'notification' only, with no cost attached to it and her NCD not being affected.

As the investigator has pointed out, it's usual for a consumer to inform insurers that have provided cover on the basis of an open claim that the claim has now been resolved in their favour. The other insurers then adjust the calculations they made about the premium and provide a refund to the consumer. Only the insurer that charged the premium will be able to say what it *would* have charged had there not been an open claim at the time, as claims are just one of the numerous issues each insurer considers in its risk assessment.

Unusually, in this case esure offered to consider any details of extra premiums based on the open claim that were given to it by other insurers through Miss B. I understand why she thinks she should be able to rely on that offer, but esure can't assist her if other insurers won't give her the necessary evidence to pass on to esure. It has no way of knowing what percentage of the premium she paid to other insurers was due to the open claim.

From the details on the file, it seems Miss B was insured with esure until June 2021. If that's the case, esure would need to review whether a refund is due from it or not, and explain the position to Miss B. Any other insurer that benefited from the extra premium it charged (based on the open claim) should reimburse Miss B directly. If she has already asked insurers to recalculate the premiums they charged her, and they haven't done so, she should complain formally to them. If she isn't happy with their responses, Miss B can then complain to us, and we'll deal with her concerns.

### **My final decision**

My final decision is that I uphold this complaint. I require esure Insurance Limited to pay Miss B £200 compensation in total. Under the Financial Ombudsman Service's rules, I must ask Miss B to accept or reject my decision before 20 May 2024.

Susan Ewins

**Ombudsman**