

The complaint

Mr L and Miss S have complained about the length of time it took esure Insurance Limited to pay their claim under their motor policy after their car had been stolen. They've also complained that this delay caused unnecessary further losses and upset and inconvenience.

What happened

Mr L and Miss M's car was stolen from outside their home on 17 July 2023. Sadly, their V5 document was also in the car so they had to pay to get another one. Which they were able to send to esure on 30 July 2023.

Esure said there was some mix-up about who the owner of the car was as against who the policyholder was but since Miss M and Mr L live together that ended up not being any issue, but it did require clarification.

Mr L and Miss M's car was on finance so esure asked them to get the settlement figure from the finance company which they did and passed on to esure on 1 August 2023. It had an expiry date of 29 August 2023 of which they ensured esure were aware.

Mr L and Miss M said on 14 of August 2023 esure told them that their settlement amount for the car would be £28,281.00 and they should contact their finance company to explain this which they said they did.

However, after that Mr L and Miss M said nothing happened despite them phoning and emailing several times. It was only when they made contact via social media, did they get a response. And then it was confused. So, a new settlement figure of £25,340.90 for the finance company was given with the remaining balance of £2,940.01 to be paid to Mr L and Miss M.

Mr L and Miss M calculated they would be out of pocket by £691.66 plus they had to make two payments to the finance company as well as pay £30 for the V5 document. So, they felt they were out of pocket by £1,522.82.

Esure acknowledged it caused a delay and paid Mr L and Miss M £150 compensation. Mr L and Miss M remained dissatisfied, so they brought their complaint to us. The investigator was of the view esure didn't need to do anything more. He also said that he couldn't include the issue that Mr L and Miss M had to pay for another V5 or indeed the valuation issues they had raised as they hadn't yet raised those issues with esure and therefore this service couldn't consider them. Mr L and Miss M disagreed with the investigator's ultimate outcome, so their complaint 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 not upholding this complaint. I'll now explain why.

I do appreciate and understand that Mr L and Miss M will be very disappointed with my decision. Also, as the investigator explained, we can only look at the issues that have been already raised with esure so therefore I won't be dealing with the issues that Mr L and Miss M had to pay £30 for a new V5 save for the issue of any delay this caused or indeed any issues concerning the market value amount of the car.

Validation of theft claims can take some time and initially there were issues given the V5 was kept in the car and so got stolen with it and there were necessary issues to clarify over who owned the car given that was different to the policyholder which would have extended that time to validate the claim. I don't consider it was unreasonable of esure to do these validation checks. They are required and completely necessary. Obviously, Miss M had to show she owned the car so the V5 was essential plus ensuring who was the policyholder. It's also got nothing to do with esure that the V5 was sadly in the car when it was unfortunately stolen.

I consider this claim progressed within the normal amount of time required up to 14 August when esure provided its settlement for the value of the car. Then unfortunately I consider Esure unreasonably delayed completing this claim efficiently. Essentially communication between esure and Mr L and Miss M broke down and stalled with esure unsure of the situation every time Mr L and Miss M emailed or called. I can understand why this caused frustration and further inconvenience.

However, the valuation amount paid to the finance company was the same amount esure was always going to pay for the value of the car. The delay meant the surplus paid to Mr L and Miss M appeared to increase which should have corrected the fact that Mr L and Miss M had to make further finance payments to the finance company. If there still remains any discrepancy here due to Mr L and Miss M having to pay more instalments under the finance agreement than was necessary, then that's a matter between Mr L and Miss M and their finance company direct. There is no reason why esure would be involved with this.

So, turning to the delay of around six weeks which was caused by esure's failures in communication. Having a car stolen like this is a very distressing event and trying to separate that distress from anything that the insurer did or didn't do is difficult. It tends to mean the distress sort of accumulates. However here, I can only hold esure responsible for this delay of six weeks, when its communication broke down. Sadly, mistakes can happen however unintentionally. What we do is to see if the business, esure here, did enough to put things right. It has clearly acknowledged this happened and it apologised which I'm glad to see. It also explained its own challenges too which I consider was helpful.

I have no authority to fine or punish businesses when they make mistakes like this. Our rules don't allow us to do that. Our website also fully details our approach to compensation for issues like this. And esure's payment of £150 is in line with our approach for such delays and therefore I consider it's done enough to put things right.

My final decision

So, for these reasons, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Miss M

to accept or reject my decision before 8 May 2024.

Rona Doyle
Ombudsman