

The complaint

Mr H has complained about the length of time it has taken esure Insurance Limited to settle a claim he made under his car insurance policy.

What happened

Mr H made a claim to his insurer, esure in August 2022 for damage to his car caused by an incident with a third party.

Mr H's car was booked in for repair in October 2022. It took six months for his car to be repaired by an approved repairer (AR). This was due to a delay in obtaining parts which esure say was outside of the AR's control. During this time, Mr H was provided with a hire car.

Mr H complained to esure in September 2023 – and again in November 2023. He was unhappy with the wait times when calling, the lack of updates, being asked to send information he says he'd already sent, and that the claim was still open.

Mr H asked us to look at his complaint in January 2024 as he hadn't received a response from esure.

In February 2024 esure replied to Mr H's complaint. It said most of the delays were outside of its control, as it was waiting for the third party insurer (TPI) to accept liability and settle its outlay for the claim costs. But esure accepted it had caused some delays. For this it paid Mr H £200 compensation. It said it would ensure Mr H was kept updated on any developments and would look to settle the claim as quickly as possible.

Mr H didn't agree this was enough. The Investigator recommended esure increase the compensation to £300.

esure agreed. Mr H didn't agree. In summary he says it doesn't reflect the time he spent having to deal with esure chasing his claim. He's unhappy that the compensation award is far lower than the additional premium he has had to pay for his car insurance at renewal in March 2023 and March 2024 because of the open claim.

So Mr H wants an ombudsman 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 a claim is made and liability is in dispute, this can take longer to settle than other claims.

Mr H made his claim in August 2022. Mr H's car was booked in with the AR in October 2022. The repairs to his car weren't completed until March 2023. I understand this was due to an issue in obtaining parts. This has become a known issue in recent years. And I note that Mr H says his complaint was not about the delay here.

Until an insurer has its full outlay of costs, it won't submit its claim for those costs to the 'at fault' party for recovery.

From esure's claim notes, I can see that it submitted its outlay for recovery to the TPI in June 2023. There was some back and forth in August, September and November 2023 between the TPI and esure as the TPI asked for more information about the driver involved.

During this time I can see that Mr H contacted esure for updates and raised complaints about the length of time it was taking to settle the claim. He said he had provided esure with all of the information he had at the outset – so in August 2022.

In November 2023 esure asked the TPI again for recovery of its costs – and asked for the driver's full details as it intended to give notice of proceedings in 21 days if its outlay hadn't been recovered. However, esure didn't follow this up with the TPI and there were no meaningful updates until esure responded to Mr H's complaint on 7 February 2024.

Although esure paid Mr H £200 compensation for the distress and inconvenience caused, I don't think this is enough to put things right. I think esure should have chased the TPI more regularly for its outlay in order to take next steps to settle the claim sooner.

So I think a fairer outcome – in line with awards we give in similar cases – is for esure to pay Mr H a further £100 compensation, bringing the total award to £300.

I understand Mr H doesn't agree. He says it doesn't represent any incentive for esure to act differently.

Our role isn't to punish a business, but to look at the merits of each case – and consider whether the outcome to a complaint is fair and reasonable. The awards which we give are modest, and do not prevent a customer from seeking further action outside of our service if they do not wish to accept our final decision.

I do understand that Mr H has been put to inconvenience – and is no doubt frustrated with the length of time this claim has taken to reach settlement stage. The additional impact is that Mr H has had to pay a higher premium due to having an open claim at renewal in 2023 and at the time of rejecting the Investigator's view, approaching renewal for 2024. But once the claim is settled, Mr H's insurer needs to recalculate the premium he paid based on a closed non-fault claim (assuming full recovery is successful) and provide an appropriate refund.

If Mr H remains unhappy with any ongoing issues in relation to the claim from 7 February 2024, he can raise a new complaint with esure. I can only address Mr H's complaints up to the date esure responded on 7 February 2024 in this decision.

My final decision

For the reasons I've given above, my final decision is that I uphold this complaint. I require esure Insurance Limited to pay Mr H a further £100 compensation in addition to the £200 its already paid him.

esure Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr H accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 18 July 2024.

Geraldine Newbold
Ombudsman