

The complaint

Mr J complains that esure Insurance Limited (esure) caused delays and communicated poorly when handling his claim for accident damage, under his motor insurance policy.

What happened

In April 2023 Mr J's car was damaged by another driver whilst it was parked. He made a claim to esure but says he received no contact to let him know what was happening. When he chased the matter he says esure told him it had overlooked his claim. It advised it was now waiting for a response from the third-party's insurer (TPI).

Mr J says he sent over 20 emails without receiving a response. He says calls were ended prematurely and his requests for call backs were ignored. Mr J says he's continued to pay insurance and tax on his damaged car that he couldn't use. He's also paid storage charges for around ten months. Mr J says he eventually received a payment for £800 when esure decided his car was a total loss. This was after deducting an excess fee for £1,300.

Mr J says he had to buy another car as esure's promise to provide a courtesy vehicle didn't materialise.

In its final complaint response esure apologised to Mr J for its poor standard of service and communication during his claim. It says the claim was raised on 6 April 2023, but it failed to progress the matter until Mr J chased progress on 11 July. It says his car was then deemed to be a total loss. But it still delayed providing payment until 19 July, which required further chasing from Mr J.

esure says it holds the TPI at fault for the incident. It says it's been in contact with the TPI and is awaiting its response. It paid Mr J £150 compensation for the inconvenience it caused him.

Mr J didn't think he'd been treated fairly and referred the matter to our service. Our investigator upheld his complaint. She says esure should reimburse Mr J with the storage fees he paid, which came to £330. This is in addition to the tax he'd paid until he made a Statutory Off-Road Notification (SORN) in December 2023. Our investigator says esure should pay a further £100 in compensation for the inconvenience he'd been caused. It should also update Mr J on the liability outcome and explain why it had paid him £1,300.

Mr J accepted our investigator's findings. esure didn't respond. As an agreement wasn't reached the matter has been passed to me to decide.

I issued a provisional decision in April 2024 explaining that I was intending to uphold 's complaint. Here's what I said:

provisional findings

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 my intention is to uphold Mr J's complaint. Let me explain.

We expect esure to handle all claims effectively in line with its policy terms and conditions. I've thought carefully about whether it did so here.

The claim records show Mr J first contacted esure about the accident damage to his car on 6 April 2023. On the same day there's a record referring to consent having been provided for a hire vehicle. A record dated 12 April says that based on the photos of the damage Mr J's car was repairable and that a full estimate will be required. It says esure's agent couldn't get through to Mr J by phone. But that an email was sent to update him. The notes say the instruction to collect Mr J's car was cancelled as an estimate was needed.

The next record with any detail is dated 8 May 2023. The note says no contact has been made with the TPI. The agent dealing then contacted the TPI to confirm the circumstance of the accident. The note says Mr J was told at this time that esure was waiting to hear back from the TPI.

On 1 June 2023 the records refer to a total loss fee that had been raised. There is no further detail around this. A note on 16 June says that non-fault allegations have been sent to the TPI. It says esure is awaiting an admission of liability.

The records show Mr J called esure on 28 June 2023. The note says the agent isn't clear if Mr J's car is a total loss or not. It says he was unhappy at the length of time his claim had been ongoing without receiving any correspondence. The note from this call says Mr J had to buy another car as no courtesy car was provided.

On 11 July 2023 the records show Mr J's car was considered a total loss. esure valued the car at £2,100 and deducted £1,300 for the policy excess. Mr J was offered a settlement for £800. The records say he accepted this offer, albeit a payment wasn't provided until 19 July after further chasing.

We asked esure for more information about the engineer's assessment of Mr J's car. It responded to say its engineer initially considered the damage based on photos. He asked for an estimate to be done. A garage was then instructed that confirmed the car was a total loss. esure says it then decided to deal with this claim on this basis without seeing an estimate of the repair costs.

esure has provided a number of emails it says were sent to Mr J. The emails are undated. I asked the business to re-provide this information so I could see when it contacted Mr J. It sent the information again, but this doesn't show the dates the emails were sent.

Mr J's policy schedule confirms an excess fee of £1,250 is due in the event of a claim. There are other excess charges that apply in certain circumstances. I can't see that these apply here. It's not clear why esure deducted £1,300. But this is a moot point as it subsequently refunded this money back to Mr J. I queried why it did this given liability for the accident had yet to be decided. Mr J's excess fee is an uninsured loss that is payable by him in the event of a claim, irrespective of who's to blame. This can be claimed back from the TPI in the event of a non-fault outcome. But this hadn't been decided. I also asked esure whether it intended requesting this payment back.

esure responded to say Mr J's excess fee was refunded by mistake. It also says that at this point it has no intention of asking him to pay this money back.

I've thought about Mr J's concern that he didn't receive a courtesy car. His policy terms say

that no courtesy car is provided if his vehicle is considered a total loss. However, I've also seen an undated email esure sent to Mr J that says a rental car company has been instructed to provide a replacement vehicle. Mr J says he didn't receive this email from esure. But the rental car company did call him to say it couldn't supply a car until further detail had been provided. He says it told him it would contact esure and get back to him. But it didn't call him back.

I asked esure under what cover it had agreed to provide a replacement vehicle. Given this isn't something that appears to be provided for under Mr J's policy terms. It responded to say there was no courtesy car provision in these circumstances. It says this information shouldn't have been included in its email.

It maybe that the delay in establishing the total loss decision caused confusion here. But it's clear that in the case of a total loss, there is no provision for a courtesy car. That said, because of esure's delays Mr J wasn't provided with a settlement payment to buy a replacement car for some time.

I asked Mr J why his car had to be sent to a storage facility. He says his car was left in an unsecure state after the accident. This was because the driver's window was broken and had dropped into the door. He says it couldn't be left on the roadside or driveway because of this. Mr J also explains that he stopped driving his car the day after the accident and was reliant on public transport and borrowing cars from friends and family.

Both Mr J and esure have supplied copies of the emails he sent. These date from early April 2023 and then throughout his claim. It's clear he was in regular contact with the business in an attempt to progress matters and to understand what was happening. It's not clear when esure contacted Mr J by email as these are undated. I also note his comments that not all emails were received and contact by phone was very difficult.

Having considered the evidence, it's clear esure handled Mr J's claim poorly. It didn't communicate effectively to ensure he knew what to expect from the claims process. His car wasn't collected to assess the damage or to arrange disposal if it was considered a total loss. He was told he'd be provided with a replacement vehicle, which didn't happen. The total loss decision was delayed for several months without good reason. It took Mr J chasing progress for this to be confirmed. A further delay then occurred in payment being made. No contact was made with the TPI to hold it responsible for the claim costs for over a month. And no reasonable explanation has been given for this.

In these circumstances I think Mr J acted reasonably. Communication with esure was very difficult. He didn't know when his claim would be dealt with, when his car would be repaired, or if a settlement payment provided. The use of a secure storage facility appears a reasonable solution in light of this. I think it's fair that esure refunds his storage costs. Mr J has shown that this came to £330.

I've thought about Mr J's comments that he continued to pay tax on his vehicle up to December 2023 when it was declared SORN. His car was confirmed a total loss in July. I think it would've made sense to apply for SORN at this time. This would have avoided any further charges. However, esure should've reached its total loss decision far sooner. I think this should reasonably have been confirmed in April. To acknowledge this delay esure should refund the tax Mr J paid for May, June, and July.

I've thought about the impact esure's delayed handling and poor communication had on Mr J. He had to make alternative travel arrangements between April and the end of July 2023. This was until he received a settlement payment and was able to buy a replacement car. He also spent a lot of time chasing esure for updates and had to arrange storage for his

car. This equates to a considerable level of inconvenience and hassle for Mr J for a period of around four months. I agree with our investigator that esure should pay Mr J compensation. But I think a higher payment is warranted. In addition to the £150 payment already provided a further £250 is fair.

esure should also ensure Mr J is updated effectively with progress on the liability outcome of his claim.

I said I was intending to uphold this complaint and esure should:

- pay Mr J £330 to refund his storage costs;
- refund Mr J with the tax he paid in May, June and July 2023;
- pay Mr J £250 compensation for the inconvenience and hassle it caused him;
- update Mr J with progress on the liability outcome for his claim.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

esure responded to say that it had no further comments to make.

Mr J responded to say he was happy to proceed with my decision. Albeit he says he disagrees with my view on the courtesy car part of his complaint. With regards to his vehicle tax Mr J says he could have applied for SORN earlier, but he hadn't been given a clear indication of what was happening with his vehicle.

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.

I've thought about Mr J's further comments. I acknowledge what he says, but he hasn't provided further evidence to show that a different outcome should be reached. He hasn't added anything new to the information I've considered. So, for this reason and the reasons I gave in my provisional decision, I'm satisfied this outcome is fair.

My final decision

My final decision is that I uphold this complaint. esure Insurance Limited should:

- pay Mr J £330 to refund his storage costs;
- refund Mr J with the tax he paid in May, June and July 2023;
- pay Mr J £250 compensation for the inconvenience and hassle it caused him;
- update Mr J with progress on the liability outcome for his claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 29 May 2024.

Mike Waldron
Ombudsman