

The complaint

Miss M complains that esure Insurance Limited mishandled her motor insurance policy.

What happened

In September 2022, Miss M had a car with a cherished number plate. For the year from early September 2022, Miss M had the car insured on a policy with esure. The cost for the year was going to be about £400.00.

In mid-August 2023, esure quoted about £640.00 to renew the policy for the year from 2023. Miss M went online and found a quote from another provider for about £460.00.

She rang esure to say she didn't want to renew the policy. Esure offered her a renewal price of about £500.00. Miss M complained to esure that its quote of £640.00 had been unfairly high.

By a final response dated 20 September 2023, esure turned down the complaint. Miss M replied to esure and brought her complaint to us the same day.

Our investigator recommended that the complaint should be upheld in part. She didn't think that esure had adequately supported its position in justifying the increase. She recommended that esure should compensate Miss M £100.00 for the distress and inconvenience caused to her as a result of this increase.

Esure disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says the following:

- *"We are taking a different view on risk for this customer, this is due to external data referring to Delphi Score and Full Address Rating. The view on this is the customer was benefitting from a more favourable risk position on these areas and we have aligned closer to risk for the most recent policy year, thus increasing the premium. These changes have also attributed to an updated view on Optimisation as their Opt. pick would have changed to reflect the updated view of their risk. This is also aligned with the large amount of market rate that us, and the general market have put on since the customer's last renewal. It is worth noting that we encourage all our customers in their renewal invites that esure may not be the best price in the market, and that they should shop-around to find the best price for their cover."*
- *"Underwriting will not provide the rating tables unless they can see that there have been mitigating circumstances that have caused us to treat the customer differently from any other customer. As there have been none in this case, they will not provide the tables..."*

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.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. We deal with an individual consumer's complaint against a firm regulated by the FCA. Where we uphold such a complaint, we look at the impact on the complainant consumer and we assess compensation by reference to that impact.

We don't assess compensation at a level intended to punish or deter unfair acts or omissions. It's not our role to look into the likely impact on other consumers.

In September 2022, the policy schedule said that Miss M's car was a cabriolet, made by a premium-brand car maker and which Miss M had owned for six years.

I don't recognise the figure of £394.00 stated by Miss M. The cost of the policy was going to be as follows:

Premium	£353.32
NCD protection	£ 51.96
Legal protection	£ 31.00
Total	£436.28

That included business cover.

In November 2022, esure issued a revised certificate of insurance. That showed that Miss M had changed the insured car from the cabriolet to a hatchback made by a large car maker and with an "18" registration number. I find it likely that this change resulted in a refund of premium.

In August 2023, the renewal letter said that the cost for the previous year had been about £365.00. However, it explained that this was what the previous year would've cost if Miss M had made the change of vehicle at the beginning of that year. As £365.00 is lower than £436.28, I find it likely that the change of vehicle had saved Miss M some money during that year.

The August 2023 renewal letter quoted about £640.00. Esure's recent submission (quoted above) is not as clear as it should be. It alludes to a change of view about the risk for Miss M's postal address and to general market inflation.

I would've expected esure to be able to show us (in confidence) its data explaining how it calculated the renewal quote. Indeed esure told us that it would provide its rating tables, before telling us that it couldn't. So I'm not satisfied that its quote of about £640.00 was calculated correctly.

I've thought about the impact on Miss M. I accept her statement that she suffers from anxiety and that she was shocked by the proposed increase. She took some time to go online and find a better quote.

When she contacted esure, it reduced the quote to about £509.00. I accept Miss M's statement that this made her feel that esure shouldn't have quoted the much higher figure of about £640.00.

However, she had already got a competitor's quote for about £460.00, which she said included more than esure's reduced quote of about £509.00. So she went ahead with the better quote. To that extent, Miss M benefitted from shopping around. So I don't find that esure caused her any financial loss. And I don't find it fair and reasonable to direct esure to compensate Miss M for the time taken looking online.

I keep in mind that the renewal letter was about four weeks before the renewal date, and Miss M quickly got a better quote.

Nevertheless, esure left Miss M feeling that it had tried unsuccessfully to overcharge her. She felt that - despite saying that she was a valued customer – esure had treated her with disrespect.

Putting things right

Overall, I consider that esure unfairly caused Miss M distress and inconvenience beyond that usually associated with daily life. So I don't consider that an apology would be enough. I agree with the investigator that esure should pay Miss M £100.00 compensation for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct esure insurance Limited to pay Miss M £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 3 July 2024.

Christopher Gilbert

Ombudsman