

## **The complaint**

Mr G complains that esure Insurance Limited delayed settling a claim made on his motor insurance policy. He wants compensation for his consequent losses and for the effect on his credit score.

## **What happened**

Mr G's lease car was damaged in an incident, and it was deemed to be a total loss. Mr G's policy required esure to make a payment to the lease company. But Mr G was unhappy that esure delayed doing this and he had to make lease payments even after the lease ran out. Mr G said he incurred travel costs whilst he was without his car and his credit score was affected. He wanted the payment made and compensation for this and the effect on his wellbeing.

esure agreed there had been delays in settling the claim and that it could have done more to process the payment to the lease company more quickly. It paid Mr G £350 compensation for this. But Mr G remained unhappy.

Our Investigator recommended that the complaint should be upheld in part. She thought esure had to make payment for the car's market value, less the policy excess, to the lease company and this would end the contract. She thought esure had caused three months' delay in making the payment to the lease company. And so she thought esure should reasonably pay Mr G what he was charged in these three months, £1,108.13.

She didn't think esure was responsible for further delays as it hadn't been told the lease company didn't accept cheques. She thought esure wasn't responsible for the effect of missed payments on Mr G's credit score. She thought esure had paid Mr G sufficient compensation for the impact of its delays.

esure agreed to pay Mr G the three months' charges after it was provided with proof that the finance company hadn't reimbursed the charges. Mr G replied that he thought esure should have had better contact with the lease company to ensure the total loss payment was made. Mr G asked for his complaint to be reviewed by an Ombudsman, so it's come to me for a final decision.

## **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.

Mr G has explained that he was being pursued by a debt collection agency for his missed payments for his lease for a car he no longer had. He thought esure should have done more to pay the lease company the total loss settlement. I can understand that this would have caused Mr G stress and frustration at a difficult time in his life.

Mr G's policy states that because he acquired his car through lease, in the case of total loss esure would pay the lease company either the market value of the car, or the amount required to settle the agreement, whichever was less. esure paid the lease company the car's market value, less the policy excess, which was in keeping with the policy's terms and

conditions. And the lease company said that when it received payment the contract would end.

I've looked at Mr G's claim journey and I think it's agreed there were avoidable delays caused by esure in making payment to the lease company. This was because Mr G had sent in the information about his lease contract to the correct address as instructed by esure. But it didn't act on this and settle the claim. It asked Mr G for the same information again three months later.

I think esure made an error here as it had received the required information from Mr G and so it should then have made the payment to the lease company. Mr G was unable to make these payments himself and so he owes them to the lease company.

To restore Mr G's position, I'm satisfied that it's fair and reasonable for esure to pay Mr G what he was charged in these three months, £1,108.13. I don't require interest to be added as Mr G didn't make the payments and so he isn't out of pocket because of this.

After Mr G provided the information a second time, esure then made the payment to the lease company, which should have ended the lease. But the company didn't accept cheques. esure wasn't informed of this by Mr G until a further two months later. And esure then made the payment by bank transfer.

I can understand Mr G's view that he wasn't to blame for this delay, but he incurred further debt because of it. But I can't reasonably hold esure responsible for not knowing that the lease company wouldn't accept cheques until it was informed of this. The cheque wasn't returned, so this wouldn't have alerted esure.

When Mr G told it the lease company wouldn't accept cheques, it then made the payment by bank transfer. If Mr G thinks the lease company made an error by not alerting esure to its procedures, then I think he should raise this concern with it directly.

esure paid Mr G £350 compensation for the impact of its delays. And I'm satisfied that this is fair and reasonable as it's in keeping with our published guidance for the level of impact the delays caused over several months.

Mr G said the delay had also affected his credit score. But I can't reasonably hold esure responsible for the contract between Mr G and the lease company. And I can see that Mr G missed payments both before and after his claim was made. So I don't hold esure liable for the impact of the missed payments on Mr G's credit record.

Mr G said he wasn't provided with a courtesy car during the claim. But I can see that his policy doesn't provide a courtesy car in the case of total loss. Mr G said he incurred transport costs whilst his claim was being settled. But I'm satisfied that esure's compensation payment already acknowledges the impact of this.

### **Putting things right**

I require esure Insurance Limited to pay Mr G £1,108.13 compensation to reimburse him for the lease charges he incurred because of its delays in settling his claim, as it's already agreed to do.

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint in part. I require esure Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 June 2024.

Phillip Berechree  
**Ombudsman**