

The complaint

Mr R has complained about the poor service and delay he received from esure Insurance Limited when he made a claim under his car insurance policy.

What happened

In July 2023 Mr R bought a car insurance policy with esure. Unfortunately later that month he was involved in an incident with another vehicle. So he made a claim to esure.

In August 2023 Mr R complained to esure. He hadn't had any meaningful update on his claim and his car hadn't yet been looked at by an approved repairer. esure arranged car hire and offered Mr R £100 compensation which he rejected. A month later Mr R complained that no hire car had been provided. Mr R subsequently received a hire car for one week.

In November 2023 esure responded to Mr R's complaint. It apologised for causing unnecessary delay and paid Mr R compensation of £200 for the distress and inconvenience caused. It said it was sorry for the fact that as of 30 November 2023 it hadn't paid Mr R a total loss settlement for his car. This was despite the settlement being agreed with Mr R on 31 August 2023.

Mr R remained unhappy and asked us to look at his complaint. He said the compensation esure had paid wasn't enough to reflect the delay, the time he spent in calls and travelling to and from the car hire company. He is unhappy with the way an agent of esure handled his call when he reported the incident.

Mr R wanted esure to waive the balance of the yearly premium he owed under his car insurance policy as adequate compensation to resolve his complaint.

Our Investigator thought esure hadn't paid a fair amount of compensation to reflect the distress and inconvenience caused by its delay and poor service. He recommended esure pay a total of £400 compensation to Mr R.

He didn't recommend esure waive the balance due under the policy as it had provided insurance cover under the contract and the yearly premium was correctly owed as it had met Mr R's claim.

Mr R didn't agree. In summary he says £400 isn't a reasonable compensation award for the inconvenience caused by esure's poor service and delay.

So the case 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.

esure upheld Mr R's complaint. It's clear that there was an unreasonable delay in dealing with Mr R's claim and settling it. I can see that esure agreed to provide Mr R with a hire car in August 2023 due to its delay arranging for his car to be inspected by an approved repairer. However a month later Mr R was still without a hire car due to an availability issue.

Mr R has asked if we have listened to all of the calls between him and esure. We haven't. We decide on a case by case basis what evidence we ask for in order to investigate a complaint.

I have seen esure's notes and Mr R's emails to understand the complaint and so I'm satisfied that I have enough information from both parties to make a final decision.

When things go wrong, we look at what an insurer should have done, the impact, and what it did to put things right.

In this case I think it was reasonable for esure to have settled Mr R's claim by paying him a total loss settlement for his car in around three to four weeks. But when it responded to his complaint on 30 November 2023 it still hadn't paid Mr R a settlement sum. So Mr R was without funds to help him buy a replacement car sooner. I think this was unreasonable.

The awards which we give are modest. In line with our approach, I think a higher compensation award of £400 is fair to reflect a delay of three months – outside of the timescale of around a month which I've previously mentioned.

We expect a degree of inconvenience, time in calls, and time to make alternative arrangements when a claim is made. Unfortunately I think it is inevitable. But it's clear that esure caused Mr R distress and inconvenience over and above what would be considered reasonable.

I understand Mr R cancelled the Direct Debit Instruction for the monthly premium in September 2023 and no payments have been made under his policy since. Mr R says a fairer outcome is for esure to waive the balance he owes under the policy.

But the full year's insurance premium is correctly owed under the policy as esure has paid Mr R's claim. This isn't unusual and is a standard term in all motor insurance policies in these circumstances. The contract is for a year, but insurers can agree for a customer to repay the yearly premium by way of instalments.

I understand Mr R will be disappointed. But I'm not asking esure to waive the balance owed under the policy. I think an increased compensation award of £400 is a fair and reasonable outcome to the complaint.

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 R a total of £400 compensation for the distress and inconvenience caused by its poor service and delay.

esure Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr R 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 R to accept or reject my decision before 2 September 2024.

Geraldine Newbold
Ombudsman