

The complaint

Miss C complains esure Insurance Limited (esure) unfairly delayed her claim on her motor insurance policy and unfairly recorded an outstanding amount on her credit file.

There are several parties and representatives of esure involved throughout the complaint but for the purposes of this complaint I'm only going to refer to esure.

What happened

In November 2022 Miss C was involved in an accident in which a third-party vehicle collided with the back of her car whilst it was stationary.

Her claim was accepted by esure, and her car was repaired by its approved repairer. The claim was not closed because the third-party insurer disputed liability.

Miss C said she spent an excessive amount of time on the phone trying to get the claim resolved. Her motor insurance policy renewed in June 2022 and in August 2023 it was cancelled by esure due to non-payment. At the cancellation date there was an outstanding balance due, but Miss C refused to pay this.

In July 2023 Miss C made a complaint to esure about her claim still being open, but it did not make a response. She therefore brought the complaint to our service.

When esure finally looked into Miss C's complaint it said it was unavoidable that her claim was still open, and this was because the third-party had not agreed liability. It did agree its service was poor. It waived the outstanding balance, offered £150 in compensation and recorded the claim as recovery made, which is how it would show if it recovered its costs (which it had not yet done). esure said Miss C missed the required direct debit instalments through no fault of its own, which meant she breached the credit agreement and so it was correct to report this on her credit file.

Our investigator upheld her complaint. They looked into the case and said as esure had since waived the outstanding policy premium balance in full and also waived her policy excess this was a fair outcome. However they said esure should also remove any markers it had placed on Miss C's credit file.

esure said as the outstanding payment was owed under the credit agreement and not paid this was a breach of the agreement and Miss C's credit file should reflect this.

As esure is unhappy with our investigator's view and the complaint has been brought to me for a final decision to be made.

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 saw when esure contacted the third-party insurer with the incident details and asked for its comments it did not accept liability. I saw esure made steps to try and recover its costs with the third-party insurer. This meant the claim remained open on Miss C's file due to the dispute. This is not unusual in such circumstances.

When Miss C made her claim esure told her it would waive the £400 policy excess. However in December 2022 when her car was taken to esure's approved repairer she was asked to pay the £400 excess. esure said the excess should not have been waived as liability for the incident had not yet been agreed. However it accepted it had made a mistake and authorised the waiver of the excess at this point, as a gesture of goodwill.

Due to excessive call queues Miss C had difficulties getting through to esure on the phone to sort out the claim. And esure did not call her back as it agreed. In July 2023 because she was unhappy with the service she was receiving Miss C made a complaint to esure. She said her claim was still open and her motor insurance premiums had increased. esure offered her £100 as an apology for her having to make further calls to it but Miss C didn't think this was sufficient.

Miss C's complaint was escalated but it was acknowledged formally until September 2023.

Miss C's policy renewed in June 2023. Because she did not pay her policy renewal premiums, esure wrote to her to remind her they were due. As payment was not made her policy was cancelled in August 2023. There was an outstanding balance of £151.94 due.

I understand the accident happened during a difficult time in Miss C's life and the upset with this claim will have caused additional distress to her. In this case I think esure's offer to waive the outstanding balance and pay £150 compensation for the poor level of service, in addition to the waiver of the excess payment at the start of her claim is a fair outcome. But it is also important that Miss C's credit file accurately reflects this. As esure decided to waive the months insurance payment and has written-off a balance that Miss C would usually be expected to pay, it should also remove any default from her credit file.

Therefore, I uphold Miss C's complaint and in addition to the resolution and compensation it has already offered, I require esure to remove any marker it has reported on her credit file.

My final decision

For the reasons I have given I uphold this complaint.

In addition to the waiver of the outstanding balance and £150 compensation already offered, I require esure Insurance Limited to remove any marker it has reported on Miss C's credit file.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 14 August 2024.

Sally-Ann Harding
Ombudsman