

The complaint

Mr P has complained about esure Insurance Limited's handling of his motor insurance claim.

What happened

Mr P had a motor insurance policy with esure. In January 2024, he was involved in a non-fault accident where a third-party caused damage to his car. He made a claim with esure. esure declared the car a total loss and paid a settlement to Mr P. The settlement included a deduction for Mr P's retention of the car along with his policy excess.

Mr P complained to esure about the poor service he experienced, and that he'd not had his excess returned despite the third-party accepting liability. He said he felt pressured into accepting esure's claim settlement due to the difficulty he had contacting esure. He wanted compensation for the time and energy the claim process had taken and the impact of this on him.

In April 2024, esure offered Mr P £25 compensation.

Mr P remained unhappy with the lack of communication during the claims process and the difficulty he experienced trying to contact esure. He felt that esure was unable to answer the questions he had asked. So he referred his complaint to this service.

Since then, esure has told the Financial Ombudsman Service it is willing to increase its offer of compensation from £25 to £150, in recognition of the poor service it had provided.

Our Investigator felt that esure's offer of compensation was fair. She felt that esure was not required to reimburse Mr P's excess in the circumstances and that this would depend on whether the third-party insurer (TPI) paid this cost to esure. For this reason, she didn't recommend esure do anything beyond pay the £150 it had offered.

Mr P disagreed. He said esure's poor service had caused him a significant amount of stress and worry and caused him to spend a considerable amount of his personal time. He said he had made it clear to esure he would only accept its settlement if he was going to receive his excess back at some point. He also felt that the £150 offered was not enough to compensate him for his time and effort.

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.

Delays and poor service

Mr P notified esure of the accident in January 2024.

It's not entirely clear when esure first made the decision to declare the vehicle a total loss, but its notes from February 2024 show it acknowledged and apologised for delays relating to the valuation as this was yet to be reviewed by the engineer.

I've also listened to the call between the engineer and Mr P that took place in February 2024. This suggests that it wasn't until this point that a review of the damage had taken place in order to confirm the total loss and provide a settlement.

esure in its communication to the Financial Ombudsman Service in April 2024 accepted there was a delay in declaring the car a total loss. It also accepted it provided poor customer service and didn't keep Mr P updated. In light of the above and esure's comments, I accept this was the case. And I think this would have caused Mr P some distress, inconvenience and frustration.

But having listened to the above call, I'm not persuaded that Mr P was pressured into accepting the settlement. I think the recording shows he was given the opportunity by the engineer to discuss the valuation directly and to make a decision on whether or not he accepted the settlement. I'm not satisfied that Mr P was pressured into accepting this settlement based on his finding it difficult to contact esure at other times.

I understand that the settlement payment was issued to Mr P shortly after his conversation with the engineer in February 2024. But following this, I've seen evidence to show Mr P contacted esure to request some further information about the 'write-off' category of the car, continuation of the policy cover, next steps relating to his vehicle documentation and what to declare to DVLA.

I can't see that esure responded to Mr P on the above. The evidence I've seen shows esure provided this information to the Financial Ombudsman Service in April 2024, after we'd requested this directly. Mr P has explained that he had to obtain some of the information himself, and I think esure not responding to Mr P on the above, amounts to poor service. And I think this would have caused Mr P some distress, inconvenience and frustration.

Overall, I'm persuaded that there were some unreasonable delays on the claim, and poor service provided by esure that would have caused Mr P distress, inconvenience and frustration. I've kept in mind that despite the delays, the claim settlement was paid just over one month after it was first notified.

Excess

The policy terms say that the excesses shown in Mr P's policy schedule are not covered. The terms define excess as the amount Mr P must pay towards any claim for loss or damage to this car. I've reviewed Mr P's policy schedule and this says his total excess in the event of damage to his car is £300. This is made up of a £250 voluntary excess and £50 compulsory excess.

In light of the above, I'm satisfied that Mr P's excess is an uninsured loss that is payable by him in the event of a claim, irrespective of who's to blame. Sometimes if liability is accepted early on, an insurer may agree to waive the excess. But it doesn't have to. So esure wasn't required to recover the excess from the TPI. And because Mr P didn't take out motor legal protection, it was his responsibility to do so. For this reason, I don't think it's unfair for esure to decide not to waive the excess and to not pay the excess back to Mr P until it has recovered all the claim costs, including the excess, from the TPI. If the TPI doesn't pay the excess back to esure, Mr P will need to request this himself from the TPI.

As outlined above, I have listened to the call between Mr P and the engineer in February 2024, where the valuation, settlement and excess were discussed.

I'm satisfied that during this call, the engineer made it clear to Mr P that his excess hadn't been waived by esure's claims team and that the engineer himself wouldn't be able to waive

the excess or instruct the claims team to do so. I'm satisfied that the engineer made it clear to Mr P that the excess was an amount payable by him on the claim and that it may not be paid back to him unless the full amount was recovered from the TPI.

Because of this, I don't think esure led Mr P to believe it would waive his excess or pay this back to him. And I don't think esure led Mr P to believe he would receive his excess back if he accepted the settlement. It follows that I don't think esure is responsible for any impact on Mr P as a result of not receiving his excess back until the claim is settled, and the full costs are recovered from the TPI.

Putting things right

For the reasons outlined above, I think there were some unreasonable delays and there was some poor service provided by esure. I also accept that these actions would have required a reasonable amount of effort from Mr P to sort out, causing him some distress, inconvenience, and frustration.

esure has offered to pay £150 compensation to Mr P and I think this is fair and reasonable in the circumstances. I've not seen any evidence of financial loss caused by the delays and poor service. So, I won't be directing esure to pay any more than this.

My final decision

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

- Pay Mr P a total of £150 compensation. esure Insurance Limited can deduct from this amount any compensation it has already paid Mr P under this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 1 November 2024.

Monjur Alam
Ombudsman