

The complaint

Mr Z has complained about the poor service he received and the market value reached when he made a claim under his car insurance policy with esure Insurance Limited.

What happened

In January 2024 Mr Z made a claim to esure following an incident. Mr Z complained to esure. He said it was difficult to reach esure to discuss his claim, there were long wait times when calling, he was dissatisfied with the information he was given about the claim, about the hire car arrangements, and the market value paid when esure decided it wasn't economical to repair Mr Z's car.

esure replied to Mr Z's complaint about the market value in February 2024, and about the poor service in April 2024.

Esure said it had reached a fair market value for Mr Z's car. But it agreed its service at times had been below standard. It apologised for the long wait times when Mr Z called and for some confusion and delay in deciding whether to repair or write off his car.

For the distress and inconvenience caused, esure paid Mr Z £100 compensation. It incorrectly referred to Mr Z as Miss Z when it replied to his complaint in April 2024. So it paid a further £100 compensation for the further distress caused.

Mr Z remained unhappy and asked us to look at his complaints. Our Investigator thought esure had done enough to put things right.

Mr Z didn't agree and raised new complaints. Our Investigator explained that Mr Z would need to raise any new issues first with esure.

Mr Z wants an ombudsman to decide. In summary he says the compensation paid doesn't reflect the distress and inconvenience caused. He had to spend hours on the phone between esure and the car hire company trying to progress his claim and sort out a hire car. He says he was inconvenience significantly and he believes his complaints haven't been taken seriously.

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.

When a claim is made, we think it's reasonable to have to expect a degree of disruption and loss of time to make calls and deal with the necessary communication with the insurer. What I've looked at is whether Mr Z's time and disruption when dealing with esure was beyond fair and reasonable.

I don't think there's any dispute that Mr Z had to spend longer than necessary in calls between esure and the hire car company – and I agree that he was understandably worried about when he would receive a hire car and when he needed to return it.

I can see that Mr Z was in a hire car for over the maximum time limit set out under the policy. But I think esure's handling of this part of the claim was poor and it's communication should have been better.

When esure responded to Mr Z's complaint in April 2024, it incorrectly referred to him as Miss Z. For this it apologised, and in addition to the £100 compensation already paid, it paid a further £100, bringing the total amount to £200.

I appreciate that Mr Z feels his complaint hasn't been seriously concerned by esure – or us. I understand that the impact of having to deal with esure and the level of frustration Mr Z feels is justified.

The awards which we give are modest – and as I've said – we take into account that there will be an expected level of inconvenience involved when a customer's car has been damaged and needs to be assessed for repair (or not) – and when arranging for a replacement vehicle.

Overall I think esure's compensation award of £200 is fair and reasonable in this case.

Mr Z's policy with esure says the most it will pay in the event of a claim is the market value of his car at the time of loss. We don't decide a market value for a car, but we can look at whether an insurer reaches its valuation reasonably and in line with the policy.

esure defines the term 'market value' as;

"The market value is the amount you could reasonably have expected to sell your vehicle for on the open market immediately before your accident or loss. Our assessment of the value is based on vehicles of the same make and model and of a similar age, condition and mileage at the time of accident or loss. This value is based on research from motor trade guides including: Glass's, Parkers and CAP. This may not be the price you paid when you purchased the car."

esure provided us with a copy of the valuation guides it checked and examples of adverts it looked at for similar cars for sale. Having reviewed the evidence provided and in line with our approach, I'm satisfied that esure reached a fair market value for Mr Z's car in a reasonable way and in line with the policy.

So I think esure treated Mr Z fairly here.

I understand Mr Z will be disappointed with my decision. I've no doubt that Mr Z's customer journey experience was poor. But I think esure has done enough to resolve the complaints. So I'm not asking it to do anymore.

My final decision

My final decision is that esure Insurance Limited has done enough to resolve Mr Z's complaints by awarding him £200 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 22 October 2024.

Geraldine Newbold
Ombudsman