

The complaint

Mr and Mrs H have complained about the way esure Insurance Limited handled a claim they made under their home insurance policy.

Mr H has primarily dealt with things so, for ease of reading, I'll refer to him only.

What happened

The circumstances aren't in dispute, so I'll summarise the background:

- Mr H got in touch with esure in August 2022 about crack damage to his home. esure appointed a loss adjuster, G, to handle the claim. G inspected the damage and arranged for further investigations to be carried out into the ground and drainage conditions, as well as nearby trees.
- G accepted the damage was caused by subsidence and covered by the policy. It said the problem was caused by a neighbour's tree and leaking drains, and took steps to have the tree removed and the drains repaired.
- By September 2023, Mr H complained. In summary, he was unhappy with the way the claim was being handled by G on behalf of esure. That included:
 - The overall timescale and lack of meaningful progress. At that time the tree hadn't been removed and some drain repairs remained outstanding.
 - Poor communication during the claim.
 - Problems with the ground investigations – it took four inspections to complete them, the last because samples were lost.
 - Problems with the tree removal – the wrong neighbour was contacted to agree tree removal and, only when the correct one agreed was agreement from the local council sought.
 - Problems with the drainage repairs – multiple visits were required and some repairs were carried out, which G said were sufficient. When Mr H said damage remained, a further survey revealed he was correct and further repairs were agreed.
 - Increased premiums since the claim began.
- esure responded in April 2024. It accepted there had been delays and poor service and offered £75 compensation. After Mr H referred his complaint to this Service, esure considered the matter again. It offered an additional £100, noting it had responded late to the complaint. It didn't respond to the premium point at either stage. During our investigation, it said it thought the premium increase was fair.
- Our investigator didn't think esure's offer went far enough to put things right. She asked esure to increase compensation to £750 in total. She was satisfied the premium increase was fair.

- esure didn't think this level of compensation was justified and asked for the complaint to be referred to an Ombudsman, so it's been passed to me.

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.

- As our investigator has explained, the scope of this complaint is claim events up to and including esure's complaint response in April 2024, and the premium increase at the 2023 renewal. I know the claim has continued in the meantime and there may have been more renewals. If Mr H is unhappy with anything not considered here, he's entitled to make a new complaint – and refer it to this Service if he wishes.
- There are two main complaint points for me to consider: whether esure handled the claim fairly within the scope of this complaint, and whether esure acted fairly when it increased the premiums. I'll consider each point separately.

Claim handling

- esure is required to handle claims promptly and fairly. It remains responsible for that when delegating claim handling to an agent, such as G.
- Making an insurance claim involves a degree of distress and inconvenience for the policyholder. It will require some of their time and effort to resolve. That's not something I would hold against an insurer if it handled the claim promptly and fairly.
- But where an insurer *hasn't* done that, I may consider it fair and reasonable for the insurer to pay compensation. Any such compensation would be for the avoidable distress and inconvenience caused by the insurer and should reflect the impact of that on the policyholder, in their particular circumstances.
- G conceded there had been 'considerable' delays, noting the ground and drainage investigations as particular examples. It doesn't seem to have challenged any of the points Mr H made in his complaint about the way the investigations were handled. So it's clear Mr H has had to facilitate many more visits than he ought to have done, and this part of the claim was subject to avoidable delays. I think these problems continued further into the claim, particularly avoidable delays.
- In a claim such as this, I'd usually expect the initial investigations to be complete within three months, with drain repairs fully completed soon after. Tree removal can take longer, especially where local council checks are required. But with a neighbour readily agreeable to removal, I would have expected this to have been completed by early 2023. I understand tree removal took place in early 2024. And the last of the drain repairs were completed by the time of the complaint response in April 2024. That represents an avoidable claim delay in the order of a year.
- During the claim, Mr H has had to chase for updates many times. He rarely received proactive updates and timelines from G. And he had to repeatedly prompt G for meaningful progress with the claim, often making the same point several times over the course of many months before he saw progress.
- Taking all of this into account, I'm not satisfied the £175 compensation offered by esure goes far enough to reflect the avoidable distress and inconvenience Mr H

suffered. That is an amount I'd usually consider proportionate to a modest and brief impact. However, I consider the impact on Mr H was considerable and prolonged. I'm satisfied a total of £750 is fair and reasonable in the circumstances. If the £75 and/or £100 previously offered have already been paid, they can be deducted from £750.

Premiums

- Prior to the claim, Mr H paid around £230 for his buildings and contents insurance. At the policy renewal after the claim, in 2023, the premium for this cover increased to around £430. At the time the complaint was made, there hadn't been any further renewals, so I haven't considered them.
- That means the premium nearly doubled at the 2023 renewal – which, in my view, is a significant increase. And I can understand why it would be unwelcome for Mr H, as it happened during a period of much frustration and disappointment due to the way the claim was being handled.
- esure has shared with this Service information from its underwriters who reviewed the premium increase. It wouldn't be appropriate for me to share it, as it's commercially sensitive. However, I can assure Mr H I've thoroughly considered it.
- In summary, esure has shown the premium increased in line with its general approach to premium pricing, including taking into account the claims made by Mr H. That means Mr H isn't being treated unfairly in comparison to other policyholders.
- It's common across the insurance industry for premiums to increase after a claim has been made. And general increases to account for higher overall claim and operating costs are common too. Even without any claim delays, Mr H would still have made a claim, and esure is entitled to take that into account when setting the premium. It's also entitled to take into account the general increases I mentioned. In these circumstances, I'm satisfied the premium increase was fair.

My final decision

I uphold this complaint.

I require esure Insurance Limited to pay a total of £750 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 4 April 2025.

James Neville
Ombudsman