

The complaint

Mr R complains esure Insurance Limited (esure) unfairly settled his claim on his motor insurance policy and did not provide him with a courtesy car.

esure are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As esure have accepted it is accountable for the actions of the intermediary, in my decision, any reference to esure includes the actions of the intermediary.

What happened

Mr R's car was damaged by a third-party vehicle whilst parked outside his house. The incident was reported to the police. He made a claim on his motor insurance policy on 10 July 2023.

esure deemed the car was uneconomical to repair. A total loss settlement of £6,700 was offered and was accepted by Mr R. Due to Mr R's car having outstanding finance this was settled by esure and the remaining amount was paid to Mr R.

After esure looked into Mr R's complaint it agreed it should have provided a courtesy car to him prior to the car being deemed a total loss. It paid him £100 as compensation for not providing one. It also accepted there had been a delay in paying the total loss settlement. It paid him a further £150 for the upset caused by this delay.

Because Mr R was not happy with esure, he brought the complaint to our service.

Our investigator did not uphold the complaint. They looked into the case and felt esure had acknowledged where its service had let Mr R down with the loss of use of a courtesy car for ten days and the delay in settling his claim. They said the total compensation of £250 that esure had awarded was fair.

As Mr R is unhappy with our investigator's view 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.

Courtesy car

I looked at the terms and conditions of Mr R's policy and it says;

"Our Courtesy car service

A courtesy car is provided whilst your car is being repaired by the recommended repairer as part of a valid claim, as long as you have a comprehensive policy which remains in force for the duration of repairs. We aim to provide a courtesy car to you within two working days."

Mr R reported his claim on 10 July 2023. esure said it instructed its approved car hire company to provide Mr R with a courtesy car, as per the terms of his motor insurance policy. I saw that esure did not instruct its approved car hire company to provide a car until three days after the claim was made. The car hire company then tried unsuccessfully to contact Mr R to organise the courtesy car.

On 21 July 2023 Mr R's car was deemed a total loss as it was uneconomical to repair. As the car had been deemed a total loss this meant a courtesy car was no longer due to be provided from this date as per the terms of the policy which says;

"A courtesy car is not available if your car has been stolen and not found, or considered to be a total loss. If we decide that your car is a total loss after providing the courtesy car, it will be withdrawn."

In this case a courtesy car should have been provided from 12 July 2023 to 21 July 2023, which is a period of ten days. Nothing was provided to Mr R.

Mr R told our service that he had to use taxi's and therefore he is out of pocket for these expenses. Both esure and our service asked Mr R to submit any evidence of travelling expenses, but nothing has been submitted.

esure accepted that it did not provide a courtesy car within two days as per the terms of the policy. It paid Mr R £100 for not providing it. As no evidence has been provided to show any financial losses for travel during this ten-day period, I think this is a fair and reasonable offer.

Total loss settlement

When Mr R's car was classed as a total loss on 21 July 2023, esure made a total loss settlement offer of £6,700. The offer was accepted by Mr R. This is less than two weeks after the claim was made and therefore I have found no unreasonable delay in making the settlement offer.

Included in the policy terms and conditions booklet it says;

"Hire Purchase, leasing, and other agreements

If your car is a total loss, we'll make a payment to anyone who has a financial interest in your car and pay you the balance."

Because there was outstanding finance on Mr R's car esure requested he obtain a finance settlement figure from the finance company on the date the settlement was agreed. I also saw esure wrote to the finance company itself on 4 August 2023 to request a settlement figure.

The settlement figure was not received and esure accept it did not chase the finance company for a settlement figure again until mid-October 2023. After further requests from esure to the finance company a settlement figure was finally received, and payments were issued to Mr R and to the finance company on 24 November 2023.

There was outstanding finance of £6,005.45 on Mr R's car and this was paid out of the agreed total loss settlement of £6,700. esure paid the remaining amount of £694.55 to Mr R.

esure offered Mr R £150 compensation to say sorry for the delay in settling his claim and the upset caused by the service he received. I think this is a fair offer in the circumstances of this complaint.

I understand that Mr R will be disappointed, and I recognise he feels that the full settlement amount should've been paid to him. However as per the terms and conditions of the policy,

esure have a responsibility to pay off any outstanding debt against the car and this is what it did in this case.

Therefore, I don't uphold Mr R's s complaint and do not require esure to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 November 2024.

Sally-Ann Harding
Ombudsman