

The complaint

Mrs C complains about how her insurer esure Insurance Limited valued her car after it was involved in an accident and declared a total loss and that she had to pay her policy excess, when the accident had been deemed non-fault and she was told no excess would be payable. She also complains that she wasn't provided with a courtesy car, about how her claim was handled and how long it took esure to pay her the settlement money for her car.

What happened

In December 2023 Mrs C's car was involved in an accident and was damaged so she made a claim under the insurance policy she held with esure. They accepted the claim and treated her car as a total loss. They valued her car at £6,877 and offered her this amount.

Mrs C wasn't happy with esure's offer as she felt they'd undervalued her car and she couldn't buy an equivalent vehicle for the amount they'd offered.

She's also unhappy that she wasn't provided with a courtesy car, as esure had told her she was entitled to one. But when she spoke to the company esure said would provide a courtesy car it turned out they were providing a hire car. So she declined this as she'd have to pay for it.

And she's unhappy with the general handling of her claim, the delay in sending her the settlement money for her car, the deduction of her policy excess from the settlement money she received and the chasing she had to do to get a response from esure. Mrs C has also told us that as a result of the delay and being without a car over the Christmas period she had to cancel her plans, including a holiday and she lost business. This caused considerable stress and upset and as she needed a car for her work, she eventually had to take out a loan to buy a car to get her mobile again.

Unhappy with their handling of her claim Mrs C raised a complaint with esure.

esure responded to Mrs C's complaint about the valuation of her car on 4 January 2024. They said her policy provided that she'd receive the 'Market Value' for her car, which isn't always the price she'd paid for it.

They'd reviewed their valuation and were satisfied the offer they'd made was in line with the process our service follows in looking at valuations. They'd considered three specialist online motor trade guides which gave the following valuations – Glass's £6,890, CAP £6,034 and Percayso £6,864. They regarded the CAP valuation as an anomaly and offered her the average of the other two valuations £6,877. And they said they were satisfied that this was a fair valuation and the payment, subject to her policy excess, would be sent to her in the next seven days.

The settlement cheque was finally sent to Mrs C on 27 January 2024, and she had to chase the payment many times before it was sent.

esure responded to Mrs C's complaint about the handling of her claim on 27 February 2024.

They said that feedback had been given to their claims department about the time it had taken to issue the total loss payment, as it took far longer than it should have done.

They said her car had been deemed a total loss on 18 December 2023, so from that date under her policy she had no entitlement to a courtesy car. They also said that her policy didn't cover lost earnings and she'd need to contact the third-party insurer to recover these as part of a claim for uninsured losses.

esure said they'd reimbursed her £250 policy excess on 29 January 2024. They'd sent her £350 compensation on the same date, a further £250 on 13 February 2024 and in an attempt to resolve matters they were sending her a further £150, bringing the total compensation to £750.

Mrs C had complained to our service before she received esure's second final response letter. Having received this she confirmed that she wasn't happy with esure's response and wished to pursue her complaint.

Our investigator considered the case and said Mrs C's policy required esure to pay her the market value for her car. Her policy defined this as *'the amount you could reasonably have expected to sell your car for on the open market immediately before your accident or loss.'*

Our investigator said she'd looked at four of the available guides, those esure had considered and also Autotrader. The valuations given by these were CAP £5,695, Glass's £6,890, Autotrader £4,910 and Percayso £7,614. Based on these she didn't think esure's valuation was fair and reasonable.

She said this was because the valuation guides produced valuations which varied significantly from the highest to the lowest. esure's offer of £6,877 sits in line with the middle values produced by the guides, but our investigator said esure hadn't shown this was fair, or that Mrs C could replace her car with a similar one for the amount they'd offered her.

esure provided two car adverts showing cars similar to Mrs C's for sale at £7,695 and £6,750. Our investigator considered these but said they didn't persuade her that their offer was fair, as one of adverts showed a similar car to Mrs C's for sale for much more than the amount they'd offered.

Our investigator said she thought a valuation in line with the higher valuations produced was appropriate. And to avoid any detriment to Mrs C the highest valuation produced by the guides was her starting point. So, considering the overall variation of values produced and the lack of other evidence, she considered a more appropriate fair market valuation would be £7,614,

In respect of a courtesy car our investigator said that Mrs C's policy says 'A courtesy car is not available if your car has been stolen and not found or considered to be a total loss.' Her car was deemed a total loss on 18 December 2024, so after this date she wasn't entitled to a courtesy car unless she had additional Hire Car cover. She didn't have this cover so esure hadn't done anything wrong by not providing her with a courtesy car in the circumstances of her claim.

On 27 December 2023 an engineer provided a valuation for Mrs C's car. She disputed this on 29 December 2023, so it was sent to a senior engineer for review. A final response on the valuation was provided on 4 January 2024 and an offer of £6,877 made. Mrs C was told she'd receive the payment within seven days, but it wasn't sent until 27 January 2024 after she'd chased esure many times. Since then esure had paid total compensation of £750 and refunded Mrs C's £250 policy excess.

Our investigator felt that esure could have handled Mrs C's claim better but that the £750 they'd offered in compensation was reasonable. So she didn't ask them to pay any more.

But in respect of her car she said they needed to pay Mrs C the highest figure from the valuation guides plus 8% simple interest on the difference between this figure and the interim payment they'd made, from the point of the interim payment until the difference is paid to her.

Mrs C accepted our investigator's opinion but esure didn't. They sent our investigator two adverts for cars similar to Mrs C's and asked her to consider these. She replied to them saying these were the same adverts they'd already provided and they weren't enough to persuade her to change her outcome, as one supported the lower valuation and one the higher valuation that she'd asked them to pay Mrs C.

The case has now come to me for a decision.

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.

esure have a responsibility to handle claims promptly and fairly and they shouldn't decline a claim unreasonably. They've accepted Mrs C's claim and offered what they consider to be a fair market value for her car.

My role is to consider if esure have acted fairly and reasonably and have offered Mrs C a fair market value for her car that is in line with her policy terms and conditions. To do this I've considered various trade valuation guides and the additional information provided by esure.

The definition of market value from Mrs C's policy is set out in the background to this case.

Our approach to valuations has evolved. It's difficult to say which of the trade valuation guides is the most accurate without any evidence, such as adverts for cars for sale around the time of the loss or expert reports to show that esure's offer was fair.

esure provided some adverts which I've considered, these range from £6,750 to £7,695. These relate to the same vehicle as Mrs C's but give limited vehicle specifications.

Our investigator obtained guide valuations from Autotrader £4,910, CAP £5,695, Glass's £6,890 and Percayso £7,614. Given that there isn't any other evidence to persuade me that a valuation in line with the higher valuations produced is inappropriate, and to avoid any detriment to Mrs C the highest valuation produced by the guides is my starting point.

And considering the overall variation of values produced, and the lack of relevant other evidence produced by esure, I consider a more appropriate fair market valuation would be the highest of the guides which is £7,614. Mrs H should also be paid 8% simple interest for the time she's been without any money owed to her.

I understand that esure have already made a payment of £6,877 to Mrs C for her car, which was the valuation they offered her. If this is correct they need only pay the remaining outstanding balance of £737 plus interest on that amount.

Mrs C has raised a number of issues about how esure dealt with her claim.

In respect of the delay in sending the total loss payment for her car, esure have said that the

delay was unacceptable, and I agree with this statement.

Mrs C was told that as the accident was non-fault she wouldn't have to pay her policy excess, but this was then deducted from the total loss payment esure sent her. At the time Mrs C was told her policy excess wouldn't be payable liability for the accident hadn't been accepted by the third-party insurers. But having told her the excess wouldn't be payable, esure shouldn't then have deducted £250 from the settlement Mrs C received, without letting her know they'd be doing this and explaining why. esure refunded the £250 they'd deducted to Mrs C on 29 January 2024 which I think was the correct thing for them to do.

Mrs C was told she was entitled to a courtesy car but her policy only covered one until her car was declared a total loss. So I can't say that esure did anything wrong in not providing a courtesy car.

Mrs C has told us that due to the lack of a courtesy car and the delay in sending the total loss payment, she had to cancel plans over Christmas and she lost business. She's also said she had to take out a loan to purchase a cheap replacement car which has proved to be unreliable. Unfortunately these losses aren't covered by Mrs C's policy as they're considered to be uninsured losses. These may be something she can seek to recover from the third-party insurer, but they're not losses I can ask esure to reimburse her for.

Mrs C had to contact esure on numerous occasions to chase the settlement for her car and to get any response from them, and it appears that it was only when she contacted their CEO that someone contacted her. I'm satisfied that esure didn't deal with her claim as they should have done. And that as a result of their poor customer service she suffered more distress and inconvenience than is usual after an accident, and she should be compensated for this.

So what I need to consider is whether the £750 compensation esure have paid Mrs C is enough. Taking into account all the circumstances of this case I think it is and is the amount I'd have said they should pay her. So I'm not going to ask them to pay any more.

My final decision

For the reasons given above I uphold Mrs C's complaint against esure Insurance Limited and I require them to pay her £7,614 for her car and 8% simple interest on any shortfall from the date they made the interim payment until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 4 October 2024.

Patricia O'Leary
Ombudsman