

The complaint

Miss U complains about delays in esure Insurance Limited (esure) dealing with a claim under her motor insurance policy for damage to her vehicle following an accident.

References to esure in this decision include their agents.

What happened

Miss U was involved in an accident in May 2023, involving a collision with a third party vehicle. The third party admitted liability for the collision. She contacted esure to tell them about the accident and lodge a claim, providing details of the third party. As her occupation involved travelling to clients, she was keen to have her vehicle repaired as soon as possible.

After several attempts to contact esure, they provided her with details of the repairer they'd allocated to repair her vehicle. She arranged for the vehicle to be dropped off at the repairer at the beginning of June 2023, collecting it on completion of the repairs 10 days later (some six weeks after the accident).

Miss U was then contacted by the third party at the beginning of July 2023 asking what the position was with the claim (they hadn't heard from their insurer). Miss U contacted esure but was told they couldn't trace the third party, so she provided their details again. esure contacted Miss U at the end of August to say the third party had accepted liability for the accident and asked her to upload photographs of the vehicle (again) which she did, so esure could pursue recovery of their claim costs from the third party, which they would aim to do in the following twelve weeks.

Miss U followed up in October 2023 to complain about the delays. In December 2023 she received an email from esure to say the third party insurer had accepted liability and the claim would be closed as a 'non-fault incident'. Miss U made a further complaint in February 2024, to which esure responded in April 2024 providing referral rights to this Service.

Miss U then complained to this Service, unhappy at how esure had handled her claim. She'd been without her vehicle for six weeks after the accident, which given her occupation involved travel to clients meant she lost income. Details of which she'd provided to esure. The accident had also left her anxious as had the problems she'd had trying to contact esure to see what was happening with her claim. This also affected her physically from the effect of medication she'd been prescribed. This also affected her ability to work, significantly reducing her income. She wanted esure to reimburse the £150 excess she'd paid under her claim and to compensate her for six weeks of lost income when she was without her vehicle as well as the significant inconvenience she'd suffered.

Shortly after making her complaint to this Service, esure provided a final response. They apologised for how they handled Miss U's claim, the lack of updates they'd provided and delays in responding to emails she sent. In recognition, esure awarded £75 compensation.

Following esure's final response, our investigator considered Miss U's complaint and upheld it, concluding esure hadn't done enough to put things right. From the evidence and information available, she thought Miss U made many calls to esure, with lengthy time on

hold. As well as emails to chase progress with her claim and responses from esure. Promised emails and callbacks didn't happen. She also had to provide information (photographs of her vehicle and third party details) several times. She had to chase for details of esure's approved repairer and schedule repairs to her vehicle. She'd raised a complaint and claim for the £150 excess paid under the claim and for her loss of earnings in October 2023. But esure had closed the claim. esure's final response awarded £75 compensation without addressing her complaint in detail.

During our Service's investigation of Miss U's complaint, esure made an offer to resolve the complaint, increasing their compensation offer to £300, refunding the £150 excess and said they would instruct solicitors to pursue recovery of the uninsured losses from the claim.

However, the investigator said esure should have instructed solicitors in October 2023, meaning an eight-month delay to when they were instructed. Miss U provided evidence of the effect the delays and other shortcomings had on her. To put things tight, the investigator thought esure should increase the compensation award to £750, in addition to refunding the £150 excess and referring the uninsured losses claim to solicitors.

esure disagreed with the investigator's view and asked that an ombudsman consider the complaint. They acknowledged their recoveries team asked Miss U to send evidence of her uninsured losses in September 2023 and she'd set out her uninsured losses claim in October 2023, together with telling them about her anxiety and other difficulties. esure accepted they should have appointed solicitors at this point but didn't. They also didn't recognise the volume of calls Miss U made and lengthy times on hold (or any calls from her after they closed the claim in December 2023) and their outbound calls to her had been unsuccessful. They'd only located eight emails from Miss U and only recently received bank statements to support her claim for loss of income. They considered £300 compensation for distress and inconvenience was fair.

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.

My role here is to decide whether esure have acted fairly towards Miss U. In doing so I've considered what Miss U has told us about her circumstances, including the anxiety she suffered following the accident as well as the effects of the medication prescribed for her condition.

The key issue in Miss U's complaint is how esure handled her claim following the accident. The issues raised by Miss U include the time taken to assess the claim, the time she's spent trying to contact esure, having to provide information multiple times, how esure have dealt with her uninsured losses as well as how they've communicated with her and kept her updated about the claim. esure accept there were shortcomings in how they handled Miss U's claim, the lack of updates provided and delays in responding to emails. They also acknowledge they should have instructed solicitors to pursue her uninsured losses in October 2023 but didn't and then closed the claim.

On the first issue, looking at the evidence available, from Miss U and from esure, there were delays in handling the claim from the time Miss U first notified esure about the accident. She had to provide details of the third party more than once, which she first did when initially notifying esure about the accident, as esure had the wrong third party vehicle registration.

Miss U has also provided records of lengthy phone calls made to esure, particularly in the initial period after the accident. Miss U also had to email esure several times to chase what was happening with her claim and also had to chase about claim liability, with esure

confirming third party insurer acceptance of liability, after which esure closed the claim as 'non fault' in December 2023.

However, this didn't take account of what Miss U had told esure about her loss of earnings and other uninsured losses (such as the £150 policy excess). She provided details, including bank statements to support her earnings before the accident, in October 2023 (in response to a request for details/evidence from esure the previous month). As Miss U had motor legal protection cover under her policy, esure should have initiated action to pursue Miss U's uninsured losses at that point. But they didn't, going on to close the claim in December 2023.

esure accept they should have followed up about Miss U's claim for uninsured losses in October 2023 – but only acknowledged this when responding to this Service's investigation of her complaint in June 2024. I think esure's offer to instruct solicitors is fair and reasonable, albeit eight months after they should have done. Which would have caused her further distress and inconvenience.

When notifying esure of her uninsured losses in October 2023, Miss U also told them about the anxiety she'd been suffering from after the accident. So, esure were aware of her difficulties at that point. While it's not possible to anticipate the outcome of esure instructing solicitors much later than they should have done, at the very least it would have avoided eight months of uncertainty for Miss U. Given what she's told us about her anxiety, this would likely have meant greater distress and worry for her over the period.

On the issue of the policy excess of £150, it's a condition of the policy and I'd expect – as happened in this case – for the sum to be collected from Miss U as part of the claim process (when her vehicle was taken to the approved repairer). At that point, liability for the accident hadn't been formally established (though Miss U says the third party driver accepted liability for the accident). When liability was subsequently accepted by the third party insurer, then I'd have expected the £150 to be included as part of esure seeking recovery of their claim outlay from the third party insurer. However, esure accept they didn't do this. So, in this case esure have offered to refund the excess as part of their settlement offer for the complaint and I think that's fair and reasonable.

Another aspect of this case is how esure handled Miss U's complaint. Having complained in February 2024, esure didn't provide a substantive response within the eight week period allowed for a response, informing Miss U of her referral rights to this Service. They issued a final response, in April 2024, including an award of £75 compensation. But the response didn't – as esure subsequently accept – address several of the complaint issues raised by Miss U. esure also feel the compensation offered wasn't sufficient, increasing it to £300.

Complaint handling isn't a regulated activity that falls under the remit of this Service – unless it has a bearing on the substantive complaint raised by a consumer. In this case, I've concluded it does have a bearing, as it meant further uncertainty for Miss U from the point she complained, and then a final response which esure accept didn't address several complaint issues and awarded compensation that esure subsequently deemed insufficient. Again, I think this added to Miss U's stress and worry, causing her distress and inconvenience that was avoidable.

As I've mentioned earlier, Miss U has told us about the effect the accident has had on her, as well as what she considers the impact of how esure have handled the claim and her trying to communicate with them, their lack of responses and updates. From what she's told us, the accident caused her significant mental trauma, leading to anxiety when in a car. She's been prescribed medication for the condition. While I sympathise with the effect the accident had on Miss U, which I don't doubt, I can't hold esure responsible for that or, as Miss U has described, the effect the medication has had on her.

But I have considered what she's said about the impact of having to chase esure about progress with the claim and trying to contact them. As well as what I've concluded about esure not instructing solicitors in respect of Miss U's uninsured losses when they should have done and how they handled her complaint(s). esure accept shortcomings in how they've handled Miss U's claim and apologised for this, the lack of updates provided to her and delays in responding to emails she sent.

Taking all these points into account, the circumstances of the case and the published guidance from this Service on awards for distress and inconvenience, I think it's clear she's suffered significant distress and inconvenience from what's happened, causing substantial upset and worry over a sustained period of many months, which I think would have had a significantly greater impact given her diagnosed anxiety.

Taking all these into account, I don't esure's revised offer of £300 is sufficient. I think £750 compensation for distress and inconvenience would be fair and reasonable.

My final decision

For the reasons set out above, it's my final decision to uphold Miss U's complaint. I require esure Insurance Limited to:

- Instruct solicitors to consider and pursue Miss U's claim for uninsured losses
- Reimburse Miss U the £150 excess she paid under her claim.
- Pay Miss U £750 for distress and inconvenience.

esure Insurance Limited must pay the compensation within 28 days of the date we tell them Miss U accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss U to accept or reject my decision before 3 December 2024.

Paul King
Ombudsman