

The complaint

Mr M complains esure Insurance Limited (esure) unfairly settled his claim after his car was classed as a total loss and gave a poor level of service.

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.

There are several parties and representatives of esure involved throughout the complaint but for the purposes of this complaint I'm only going to refer to esure.

What happened

Mr M was involved in a collision on a roundabout whilst driving his car. He made a claim on his motor insurance policy.

Mr M said he had difficulty contacting esure to log his claim both online and by phone and it failed to reply to his emails when he asked for clarification on progress of his claim. He said he was left without a car and esure did not provide a courtesy car to him, so he was not able to go to work.

esure acknowledged there had been a lack of response to Mr M's emails from its claims team. It apologised for the standard of service received. It made a payment of £150 to say sorry for the inconvenience caused.

Mr M's car was classed as a total loss due to it being uneconomical to repair. esure made him an offer of £2,716.

esure said under the terms of his policy, because Mr M's car was deemed to be a total loss it did not have to provide him with a courtesy car.

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

Our investigator upheld the complaint. They looked into the case and said esure should increase its total loss valuation for Mr M's car to £3,273. They said £150 compensation was in line with what they would've recommended for the lack of responses, and under the terms of the policy a courtesy car did not have to be provided.

As Mr M 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 M's motor insurance policy regarding courtesy cars. It says:

"Courtesy car

A courtesy car isn't available under this section if your car has been stolen and not found, or considered to be a total loss."

Therefore because Mr M's car was deemed a total loss he was not entitled to a courtesy car as per the terms and conditions of the policy.

Total loss valuation

In this case I have considered whether esure acted fairly and reasonably in reaching its decision as to the level of settlement offered to Mr M following the write-off of his car. My role is not to provide an exact valuation but to make a judgment as to whether the offer of settlement is fair.

I firstly looked at the details within Mr M's motor insurance policy with esure. In this case within the policy terms and conditions market value is defined as follows:

"The market value is the amount you could reasonably have expected to sell your car for on the open market immediately before your accident or loss. Our assessment of the value is based on cars 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. This may not be the price you paid when you bought the car."

Although this service doesn't value vehicles, we do check that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. We use trade guides to do this, and they're based on nationwide research of likely selling prices and take the car's specifications, mileage etc into account.

This service doesn't consider the question of market value to be an exact science, however our general approach is that the valuations given in the main motor trade guides provide the most persuasive and consistent evidence. These guides are based on extensive nationwide research of likely (but not actual) selling prices.

I looked at the information esure used when calculating the market value for Mr M's car. I saw it obtained valuations from three of the main trade guides. In this case esure initially offered £2,716 which was the average of the guides less a deduction for pre-existing damage.

I looked at the valuations our investigator obtained. They used three of the main trade guides, of which two were the same as used by esure. The highest of these three valuations was £3,400 and the lowest was £2,471. Our investigator said the highest of the trade valuations obtained of £3,400 was a fair settlement.

esure accepted our investigator's view on the valuation and the total loss settlement offer for Mr M's car was increased to £3,273. This was £3,400 less £127 for pre-existing damage. I think this offer is fair in the circumstances of this complaint.

I saw on 17 August 2024 when Mr M contacted our service he accepted this valuation. However, he said he wanted his policy excess waived. In this case esure and the third-party insurer are still progressing this claim and liability for the incident has not yet been agreed. This means, as per the terms and conditions of his policy, Mr M is currently responsible for the policy excess applicable to his claim. I cannot tell esure to waive the policy excess at this point in the claim as there is currently no certainty to what the liability outcome may be.

Service received

Mr M made his claim on 26 May 2024, and his car was inspected two days later and deemed a total loss. I saw Mr M asked for esure to provide a cost to retain the salvage of his car. This amount was provided in its total loss settlement offer on 30 May 2024.

There appears to have been confusion around the salvage of the car. I saw Mr M told esure he would like the car taken away on 2 June 2024. I saw many contact attempts by phone, text message and email were made by esure's approved partner to Mr M at this time in reference to collecting his car. I also saw emails from Mr M to esure of which there is no evidence of its response.

At the start of July 2024 esure acknowledged that there had been confusion as to whether he was retaining the car. It said it had asked its claims team to forward payment for the full market value of the car as he wasn't retaining it and said it would arrange collection of the car if it hadn't been collected already. It apologised for the standard of service received and made a payment of £150 to say sorry for the inconvenience caused.

Mr M's car has still not been collected and full settlement has not been paid to him. Although I accept Mr M is not happy about this and has said if the car was not parked on his drive he may well have been able to rent his drive out. I have considered this, but as I have seen evidence that esure contacted Mr M to organise for the car to be removed in early June 2024 and he did not allow this, I am unable to hold it responsible for a delay in collecting the car.

esure have already paid Mr M £150 for the confusion caused and I think this was fair in the circumstances of this complaint.

To summarise, I uphold Mr M's complaint and require esure to pay him the total loss settlement of £3,273 less any policy excess and organise removal of the salvage of his car. esure should be clear to Mr M of the name of its approved partner who will contact him to remove the car, so he is fully assured this is a partner of esure.

My final decision

For the reasons I have given I uphold this complaint.

I require esure Insurance Limited to pay Mr M £3,273 for the total loss of his car less any policy excess. It should also pay 8% simple interest on this amount from the date of the initial offer made on 30 May 2024 to the date the settlement is paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 31 October 2024.

Sally-Ann Harding
Ombudsman