

## **The complaint**

Mrs G is unhappy with the way esure Insurance Limited (esure) have reported a claim she made under her motor insurance policy.

Mrs G is being represented by a family member in this complaint, but for ease I have referred to Mrs G throughout.

## **What happened**

In May 2022 a named driver of Mrs G's policy was unfortunately involved in an accident involving another vehicle. Mrs G reported the claim to esure. esure contacted the insurer of the third party involved in the accident but the third party denied being involved. esure decided it was unable to prove that the third party was involved in the accident and so didn't pursue this further.

In 2023 Mrs G took out a motor insurance policy through a different insurer. This insurer then contacted Mrs G to say she hadn't made it aware of an accident she was involved in which had been recorded on the Claims and Underwriting Exchange (CUE) as a multi vehicle collision with Mrs G having been driving. Mrs G was asked to pay an additional premium of just over £500 or her policy would be cancelled which it subsequently was.

Mrs G was unhappy with how esure had recorded the accident on CUE. She said it wasn't a multi vehicle collision and she hadn't been driving at the time of the incident. She also said it shouldn't have been recorded as a fault accident. esure didn't respond to Mrs G's complaint within 8 weeks and so she referred her complaint to this Service.

After the complaint was referred to this Service, esure made an offer to resolve Mrs G's complaint. It acknowledged it had recorded the incorrect driver of the incident and said it will arrange for this to be corrected on CUE. It also offered £350 compensation for the distress and inconvenience caused to Mrs G.

The investigator upheld Mrs G's complaint. He said he didn't think £350 compensation accurately reflected the distress and impact esure had caused to Mrs G. He said esure should correct the information on CUE and pay £500 compensation. After Mrs G provided additional information the investigator issued another view. He said esure should pay £500 compensation and refund Mrs G £581.34 which he said was the additional premium Mrs G had to pay as a result of esure's error.

Mrs G accepted the investigator's view but esure didn't. It said it agreed to increase the compensation but it didn't think it was reasonable to ask it to pay a refund of premiums.

I issued a provisional decision upholding this complaint and I said the following:

*"I want to acknowledge that I've summarised Mrs G's complaint in less detail than she has presented it. I've not commented on every point that she has raised. Instead I have focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy about this, but it simply reflects the informal nature of this service. I assure Mrs G and esure*

*that I've read and considered everything that has been provided.*

*esure have acknowledged the named driver on Mrs G's policy was driving at the time of the accident. It has provided evidence this has been updated on CUE to show it was the named driver driving at the time of the accident rather than Mrs G. It also shows the accident description as, 'PH was stationary and TP hit driver side wing', which I'm satisfied is an accurate reflection of the accident circumstances.*

*Mrs G has said she is unhappy the incident has been recorded as a fault accident as it was the third party who was at fault for the accident. I want to acknowledge our investigator hasn't considered this as part of their investigation, however I have listened to the call Mrs G had with esure when she raised her complaint and I'm satisfied she told it she was unhappy the accident had been recorded as a fault one. Therefore I will be commenting on this as part of this decision.*

*I should explain when insurers refer to fault accidents, it doesn't always mean it believes the insured was at fault for the accident, but rather whether or not it was possible for the insurer to make a full recovery of its costs from a third party. When insurers record claims on CUE they will record the insured's no claims discount (NCD) as allowed or disallowed depending on whether it was able to make a recovery of its costs. In this instance esure have recorded Mrs G's NCD as disallowed because it says it was unable to recover its costs from the third party insurer as the third party said they weren't involved in the accident. I have looked at whether esure has reached this conclusion fairly.*

*It isn't this Service's role to say who's at fault for causing an accident as this is the responsibility of the courts. Our role is to look at whether esure carried out a fair investigation, reviewed all the evidence it has and has come to a reasonable decision.*

*The terms of Mrs G's policy allow esure to take over and conduct the defence and settlement of any claim made under the policy. So it was entitled to settle the claim on what it believed to be the best terms, and it had the final say on how to settle a claim. However it needed to exercise this right fairly and reasonably, taking into account everything both parties have provided.*

*Mrs G has said the named driver was stationary and a third-party vehicle drove into her vehicle before driving off. The named driver was able to obtain a registration of the third party vehicle, and a witness confirmed the make and model, and agreed to be an independent witness.*

*esure have said the third party insurer denied liability on behalf of its insured, saying its insured wasn't aware of an accident and didn't have any damage on their vehicle. esure attempted to contact the independent witness but as they weren't cooperative it was unable to prove the third party's involvement and so was unable to make a recovery of its costs.*

*Based on the evidence provided I don't think esure carried out a reasonable investigation into liability and the potential recovery of its costs. I can't see it attempted to contact the independent witness until March 2023, 10 months after the accident had taken place. I would have expected esure to have contacted the witness as soon as it had been provided their details by Mrs G, and had it done so, I think it's more likely the witness would have been cooperative with it. I also think esure could have done more to pursue the third party, for example asking for evidence there was no damage on the third party vehicle, exploring whether the third party was local to the area or was in the area at the time of the accident or carrying out an inspection on the third party's vehicle to identify damage or recent repairs. esure have said it doesn't think this was required, but I don't agree.*

*In this instance Mrs G was able to provide the third party vehicle registration and an accurate description of the third party vehicle. Additionally she had an independent witness, which as I've said would likely have been more cooperative had they been contacted in reasonable time. Given the evidence Mrs G had provided, I think had esure carried out an appropriate investigation into liability, it's more likely than not it would have been able to make a recovery of its costs. This in turn would have meant Mrs G's NCD would have been recorded as allowed on CUE.*

*As I don't think esure carried out an appropriate investigation into liability, and I think it's more likely than not it could have made a recovery of its costs had it done so, it should update CUE to show Mrs G's NCD as allowed. This is in addition to ensuring the driver details and incident description is correctly recorded as previously outlined.*

*Mrs G has also paid her policy excess of £250 in order to have her vehicle repaired under the policy. I think had esure carried out appropriate liability investigations, it's more likely than not Mrs G would have been able to recover her excess payment, either through esure including it within its own outlay, or by approaching the third party insurer directly. Therefore I think esure should refund Mrs G her policy excess.*

*Mrs G has explained she has been caused distress and inconvenience as a result of esure incorrectly recording this incident on CUE. Due to esure's error Mrs G was asked to pay over £500 in premium by her new insurer in order for her insurance policy to continue. This wasn't affordable, so Mrs G's policy was cancelled and she had to spend time finding a more reasonably priced policy as well as missing pre-planned appointments as she was without insurance. In addition Mrs G has spent considerable time and effort over a period of months trying to resolve this issue with esure. Having taken into consideration the distress Mrs G has been caused by this error, and the unnecessary inconvenience she has been caused having to arrange a new insurance policy and having this issue rectified I think £500 compensation is fair.*

*Mrs G has said as a result of esure incorrectly recording this incident she has had to pay increased premiums. She provided evidence to show in 2022 she paid just over £550 for a policy, but in 2023 her policy cost around £1,000, which she says is as a result of the accident being recorded incorrectly by esure.*

*Having considered this I'm not persuaded Mrs G's premiums have been impacted to this extent as a result of esure's error. Whilst I can see Mrs G paid for a policy in 2022 for just over £550, I don't have any information about who was insured on this policy, the vehicle insured or whether previous accidents had been reported.*

*In 2023 Mrs G purchased insurance with an alternative insurer which initially cost around £1,000. At the time Mrs G first took out this policy she was unaware the information esure had recorded on CUE wasn't correct, and so she wouldn't have included this information when completing her application. Additionally I can't see Mrs G reported the accident from 2021 when taking out this policy. Therefore I think the increase in premium from just over £550 to around £1,000 was due to other factors, and not due to esure's error.*

*Mrs G has also since purchased another insurance policy where she has reported the 2021 accident in the way esure incorrectly did on CUE and it has cost around £1,100. Therefore I think the incorrect information esure have reported on CUE has had very little impact on Mrs G's premium if any. Once CUE has been updated Mrs G can speak with her current insurance company to see whether there is any reduction on premiums and refund due to her. As I don't think it's been shown esure's error has impacted the premium Mrs G is paying for her policy, it wouldn't be reasonable to expect it to refund any difference in premiums."*

esure accepted my provisional decision. Mrs G said the policy she purchased in 2022 for just over £550 was the same as the policy she held with esure the year previous. However she accepted my provisional decision. She said she needed CUE to be updated as soon as possible and would like a letter from esure confirming this has been corrected.

### **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 both parties have accepted my provisional decision I see no reason to reach a different conclusion to the one I reached before. So I uphold this complaint for the reasons I set out in my provisional decision.

I don't think Mrs G's request for confirmation of how this claim has been settled is an unreasonable one and expect this is something esure can provide to her on request following CUE being updated.

### **My final decision**

For the reasons set out above, it's my final decision that I uphold Mrs G's complaint about esure Insurance Limited. I require it to:

- Update CUE to show the named driver on the policy was the driver at the time of the incident, and that Mrs G's NCD was allowed.
- Reimburse Mrs G's policy excess of £250
- Pay Mrs G £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 11 December 2024.

Andrew Clarke  
**Ombudsman**