

The complaint

Mr C is unhappy the claim he made with esure Insurance Limited (esure) under his motor insurance policy hasn't been settled.

What happened

In March 2022 Mr C was unfortunately involved in an accident involving two other vehicles and so reported a claim to esure under his motor insurance policy. In March 2023 esure told Mr C it would be passing the claim to solicitors to recover its costs. At the end of 2023 Mr C raised a complaint with esure as he was unhappy the claim was still ongoing.

On 4 April 2024 esure issued Mr C with a final response to his complaint. It said in March 2023 it had sent its file to its solicitor to carry out litigation but its solicitor said it didn't receive this instruction. It said it resent the instruction to its solicitor in November 2023 but again this wasn't received and so it sent this again in January 2024. It acknowledged it failed to actively pursue the recovery of its costs and so it would record the claim as non-fault and allow Mr C's no claims discount. It said it would send Mr C an updated no claims discount and refund his £100 policy excess. It also offered Mr C £250 compensation for the distress and inconvenience caused. Mr C didn't think this was reasonable and so referred his complaint to this Service.

Following Mr C referring his complaint, esure made an offer. It said since it issued its final response it should have managed the claim better and so offered a further £200 compensation. Our investigator looked into things. He said he didn't think it was unreasonable for the claim to be open because liability was ongoing, but there had been claim delays. He said he thought esure had acted reasonably by refunding Mr C's policy excess and allowing Mr C's no claims bonus. He said he thought the £450 compensation esure had offered was reasonable to acknowledge the distress and inconvenience caused.

Mr C didn't agree with our investigator's view. He said he didn't think the redress offered was reasonable for 32 months of delays. He also said his new insurer didn't agree to re-rate his policy premium.

As Mr C didn't agree with our investigator, the complaint has been passed to me to decide.

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.

I want to acknowledge I've summarised Mr C's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr C and esure I've read and considered everything that's been provided.

The relevant rules and industry guidelines explain esure should handle claims promptly and

fairly. esure have acknowledged it hasn't handled Mr C's claim as it should have done and so have agreed to record Mr C's claim as non-fault, allow his no claims discount, refund his policy excess and pay £450 compensation. I've considered whether this is reasonable to acknowledge the impact its errors have had on Mr C.

I can see there have been unavoidable delays during Mr C's claim. esure said it sent instructions to its solicitor in March 2023 and November 2023, but neither of these were received by the solicitor. I think esure could have done more to ensure the instruction had been received and its solicitor was dealing with the claim. It also didn't handle the claim proactively between April 2024 and October 2024.

Had esure dealt with Mr C's claim correctly, it may have been able to recover its claim costs and close Mr C's claim as a non-fault claim. Therefore I think it's reasonable it has recorded Mr C's claim as non-fault, allowed his no claims discount and refunded his policy excess. As esure are attempting to make a recovery of its costs, it wouldn't be appropriate for it to close the claim at this stage.

I think Mr C has been caused some distress and inconvenience due to the errors esure have made. He has been caused distress by the claim still being open such a long time after the accident happened. I can also see he has spent time chasing esure for updates on his claim during this period which has caused him unnecessary inconvenience. I think taking into consideration the length of time the claim has been ongoing and the time Mr C has spent, £450 compensation is reasonable to acknowledge the distress and inconvenience caused to Mr C.

Mr C has said the outstanding claim has had an impact on his policy premiums. I haven't seen evidence the premium Mr C is being charged by his new insurer have been impacted solely as a result of this claim being open. It's been well documented motor insurance premiums have been rising, and it's not uncommon for any claim, regardless of fault, to impact the premium a motor insurer may charge. As I've not seen evidence Mr C's premium has increased solely as a result of the claim not being settled, it wouldn't be reasonable to require esure to refund the policy premiums Mr C has been charged..

My final decision

For the reasons I've outlined above I uphold Mr C's complaint about esure Insurance Limited. I require it to:

- Ensure Mr C's claim is recorded as non-fault and allow his no claims discount
- Refund Mr C's policy excess if it hasn't done so already
- Send Mr C an updated copy of his no claims discount if he still requires this
- Pay Mr C a total of £450 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 February 2025.

Andrew Clarke
Ombudsman