

The complaint

Miss B is unhappy esure Insurance Limited (esure) didn't make her sufficiently aware it would not be automatically renewing her motor insurance policy.

What happened

Miss B held a motor insurance policy with esure which was set to automatically renew in February 2024. In January 2024 esure emailed Miss B to make her aware it wouldn't be able to renew her policy.

Miss B said this email went into her junk folder and she was unaware the policy wasn't being renewed by esure. The policy lapsed in February 2024. Miss B was later stopped by the police for driving without insurance. As she was driving without insurance she had to pay costs to retrieve her vehicle from storage, incurred a fine and had six points added to her licence.

Miss B raised a complaint with esure. esure considered Miss B's complaint but said it had sent an email and a letter to Miss B about the policy not being renewed, and sent her an email about her no claims discount (NCD) which made this clear. It didn't think it had made an error in relation to the renewal, but it acknowledged it took longer than it should have done to respond and so offered £50 compensation. Miss B didn't think this was reasonable and so referred her complaint to this Service.

Our investigator didn't uphold Miss B's complaint. He said he thought esure had provided sufficient notice to Miss B that her policy wasn't being renewed and the £50 compensation it had offered was reasonable. Miss B didn't agree. She said esure have been unable to show it sent her a letter about the policy not being renewed and it hadn't provided her with sufficient notification that the policy wasn't being renewed.

I issued a provisional decision on this complaint on 28 October 2024. I said I didn't think esure had made Miss B sufficiently aware her policy wouldn't be renewing as it hadn't shown it used two methods of communication. I said esure should reimburse Miss B the costs she had incurred as a result of being stopped by the police and her vehicle being impounded and for the temporary insurance she had purchased, along with 8% per year simple interest. I said it should pay Miss B £9,882.85 for the future impact this would have on her premiums and £750 compensation.

esure provided a detailed response to my provisional decision but in summary it said:

- A letter was sent to Miss B as part of a mail merge which made her aware her policy wasn't being renewed and it provided evidence it says shows this was sent
- Miss B had 20 years no claims discount and so was aware to expect a renewal invite and could have reasonably noticed no payment was being made
- Miss B didn't make esure aware when she had been stopped by the police, given a court date or received a conviction
- It had concerns about the redress offered such as whether the policy Miss B can now purchase is a like for like policy or the cheapest policy she could reasonably obtain

I considered the additional information provided and on 7 December 2024 issued a further provisional decision. In this provisional decision I said:

‘As explained in my provisional decision, given the significant risk of driving without insurance, I think it’s good industry practice for an insurer to use different forms of communication when notifying a policyholder it won’t be insuring them any longer.

esure have now provided evidence it sent Miss B a letter making her aware it wouldn’t be renewing her policy and it would end on 1 February 2024. Miss B was sent a letter as part of a ‘mail merge’ and the letter was posted as part of a batch of letters being sent. esure have provided evidence of the mail merge, and a digital copy of the letter. It has also provided policy notes which show its underwriting team confirming an email and a letter was sent.

Based on this new evidence I’m satisfied a letter was sent to Miss B making her aware her policy wasn’t being renewed. This is along with the email esure sent to Miss B on 17 January 2024 which it has shown was sent. As esure have been able to demonstrate it used two different forms of communication to make Miss B aware it wouldn’t be renewing her policy I can’t say it made an error in the way it communicated this to Miss B.

Whilst I naturally empathise with Miss B and don’t doubt her testimony that she didn’t see the letter from esure, as I’m persuaded this was sent, along with an email, I can’t hold esure responsible for this and the events which occurred following Miss B’s policy not renewing. Therefore it wouldn’t be reasonable to expect esure to reimburse the costs Miss B incurred after being stopped by the police and the subsequent impact this may have on her future premiums.

esure have said it took them longer than it should have done to respond to Miss B after she raised her concerns to it and paid £50 compensation. I think it would have been frustrating for Miss B to not receive a timely response from esure, but I think the £50 compensation is reasonable to acknowledge the minor frustration this delay would have caused to Miss B.’

esure accepted my further provisional decision but Miss B rejected it. She provided a detailed response but in summary:

- She doesn’t believe esure have provided sufficient evidence of a letter being sent and sending a letter by standard post is unreliable
- She questions the authenticity of the letter given the length of time it has taken to provide
- She checked the online portal on 25 January 2024 and there was no indication the renewal wasn’t being offered
- Her bank confirmed esure had collected payment of premium on 4 January 2024 and the direct debit mandate was still active
- She questions the reason esure were unable to renew her policy
- esure ignored her communications for two months following being stopped by the police

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’ve carefully considered the additional information Miss B has provided, but having done so, I see no reason to reach a different outcome to the one set out in my latest provisional

decision.

Miss B doesn't believe esure sent a letter making her aware her policy wasn't being renewed. However I'm satisfied based on the evidence provided by esure a letter was sent to Miss B. Whilst it took esure some time to provide this evidence, now that it has been provided I can't ignore it, nor have I seen anything to persuade me it isn't authentic.

I think it's good industry practice for insurers to use different forms of communication to make customers aware it won't be renewing their policy. esure have shown it sent an email and a letter to Miss B making her aware her policy wasn't being renewed, along with her proof of NCD, confirming the policy hadn't been renewed, and so I can't say it made an error during this process. Miss B may feel standard post is an unreliable method of communication, but there isn't a requirement for esure to send letters by recorded delivery.

Miss B has said her direct debit was collected in January 2024 and the portal was showing her policy as being active. I don't think this was an error by esure as the payment was toward her previous policy, which was active at the time Miss B checked the portal.

Miss B has questioned the reason esure have given as to why it was unable to renew her policy. This isn't something Miss B has raised previously. The complaint Miss B brought to this Service was that esure hadn't made her sufficiently aware it wasn't renewing her policy, and so this is what I've considered as part of this decision.

esure have acknowledged it took longer than it should have done to respond to the issues Miss B raised. However for the reasons explained previously I think the £50 compensation esure have paid is reasonable to acknowledge this.

My final decision

For the reasons I've outlined above, I don't uphold Miss B's complaint about esure insurance limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 30 January 2025.

Andrew Clarke
Ombudsman