

## The complaint

Mr M complains about the information provided by an esure Insurance Limited (esure) representative about his no claims discount.

## What happened

Mr M renewed his car insurance policy with esure in December 2022. The car insurance schedule confirmed Mr M had 'Not Taken' the option of 'No Claim Discount protection' (NCD), and that the NCD was 17 years at the time of renewal. The front page of the car insurance policy schedule also explained '(see information about NCD below)'. The car insurance schedule included a heading which explained:

*'What happens to your unprotected No Claim Discount if you make a claim?*

*If we've been unable to recover all our losses in relation to the claim - known as 'non recoverable' or 'fault' claim, your NCD entitlement will be reduced at renewal to the amount shown in the table below'*

The table provided a breakdown of how the NCD would be impacted depending on the NCD years at the start of the period of insurance, and the number of non-recoverable claims in that insurance year. This information was also provided in the policy terms and conditions.

In September 2023 Mr M's car was involved in an incident. When Mr M's policy came for renewal in December 2023, Mr M's claim was still open, and costs hadn't been recovered from the third party insurer (TPI). Mr M tried to take out another insurance policy. He called esure to ask about his NCD. He was told that he would lose 'two or three years.' Mr M's NCD was reduced to three years in line with his policy terms. Mr M raised a complaint with esure about the information he'd been told over the phone about the number of years he'd NCD would be reduced by. Mr M said he'd relied on what he'd been told, and had to resign from his directorship and face large financial losses because of this misinformation.

esure responded to Mr M's complaint in May 2024. esure said it'd acted in line with the terms and conditions of Mr M's policy, but accepted Mr M had been incorrectly advised about his NCD and how much it would be reduced by during a call with one of its representatives. esure offered Mr M £75 in recognition of its poor service and the impact on Mr M. Mr M remained unhappy. So he referred his complaint to this Service for an independent review.

The Investigator said esure's application of the policy terms had been reasonable, but its customer service had been poor. Because of this, the Investigator asked esure to increase its offer of compensation to £225 (including the £75 already offered). esure agreed with this. Mr M disagreed. Mr M said this amount didn't recognise the extent of stress and inconvenience caused to him. As the complaint couldn't be resolved, it has been passed to me for decision.

## 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.

Firstly, I note Mr M's comments about his personal circumstances, including the impact on his day to day affairs and setting up of his business, since raising the issue with esure about his NCD. I'm empathetic to all that Mr M has explained, and I would like to thank Mr M for taking the time to share this information with me. I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

I recognise how strongly Mr M feels about the matter, however, it's important to explain that, as an informal dispute resolution service, our awards are designed to compensate consumers, not punish, or deter organisations. And we're not able to ask a business to change its processes or consider whether other consumers who haven't complained to our service have been impacted.

It's not disputed that esure's representative could've been clearer when discussing Mr M's NCD, and particularly the impact on his NCD following the incident. esure made an error and should've done more to ensure Mr M was provided with correct and up to date information about his policy. But I have seen that both the car insurance schedule and policy terms and conditions explained how Mr M's NCD would be impacted in the event of a non-recoverable claim in that insurance year. The car insurance schedule confirmed Mr M had not selected the option to protect his NCD. So I'm satisfied esure has acted fairly and reasonably in reducing Mr M's NCD to three years following the one non-recoverable claim in that insurance year. esure's actions were fair and in line with the policy terms. So I won't be asking esure to do anything else in response to this part of Mr M's complaint.

I have seen that esure delayed in returning Mr M's communications, and updating him about his NCD. I've considered the impact of this alongside the unclear information given by the esure representative to Mr M about his NCD. Mr M has described in detail the impact on his personal life, particularly in obtaining insurance for his business, as a result of his NCD being reduced. But I'm satisfied esure has reduced Mr M's NCD in line with what he was told would happen when he took the policy out. So although I appreciate the significance of the impact on Mr M, I can't hold esure responsible for the emotional and financial losses Mr M has suffered as a result of the NCD being reduced.

I have considered the esure's representative's error, and accept that it would've come as a disappointment for Mr M to learn that the information he'd been given wasn't accurate. Mr M also had to chase esure over several months to discuss his NCD, and particularly, the information he'd relied on. Although I don't doubt the stress and upset caused in having to make these calls, I'm also mindful that the crux of Mr M's upset was caused by the reduction in his NCD. And I've found that esure has acted reasonably in reducing it. So any award of compensation I direct is limited to recognising the upset caused by Mr M in learning that he'd been provided with inaccurate information about his NCD, and the time spent chasing esure.

The Investigator asked esure to increase its offer of compensation to £225 (including the £75 already offered). Having considered our award bands alongside what's happened on this complaint, I'm satisfied this amount is fair and reasonable. I accept Mr M's strength in feelings about esure's communication of his NCD, and it being reduced. But all things considered I'm persuaded £225 reflects the upset and inconvenience caused to Mr M because of the lack of timely updates, and poor communication about his NCD. I've found esure has acted reasonably and in line with the policy terms explained to Mr M in reaching its decision to reduce Mr M's NCD. So for the reasons I've explained I'll be directing esure to pay Mr M £225.

**My final decision**

For the reasons I've explained, I uphold this complaint. esure Insurance Limited is directed to pay Mr M £225. If any of this compensation has already been paid, esure Insurance Limited is directed to pay the outstanding amount only.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 February 2025.

Neeta Karelia  
**Ombudsman**