

The complaint

Mr and Mrs J complain that esure Insurance Limited (“esure”) incorrectly recorded a claim against their policy, under their home buildings insurance policy.

I’ll refer to Mrs J in my decision for ease.

What happened

Mrs J says her home, fencing and other items were damaged during a storm in January 2024. She contacted esure and it offered £225 as a pay-out. She says this was a fraction of the costs involved and she told esure this was unacceptable.

On 19 July 2024 Mrs J says she was looking for alternative insurance on a comparison website. However, she says each insurer wanted to speak to her, advising that she was unable to buy online. Mrs J says this is because there was a claim showing on her account. She explained that she didn’t proceed with the claim as most of it had been dismissed by esure. But she says she wasn’t able to obtain insurance.

When Mrs J then contacted esure she was told it had sent a letter and a cheque for £225 to settle her claim. She disputed this saying she’d received neither. She was told it would take esure up to a month to investigate this matter. Mrs J asked to be insured by esure during this period. She also asked for a letter explaining what had happened so she could pass this on to a new insurer. Mrs J says esure refused to do this and told her she’d need to take out a new policy.

Mrs J says she spent hours speaking to alternative insurers who kept telling her they couldn’t provide a policy until the situation was resolved. She says the cost of insurance has now increased by £500 compared to a policy she could’ve taken on 19 July 2024. Mrs J describes how she’s been very distressed in the knowledge that her home and contents were uninsured.

In its complaint response dated 24 July 2024 esure explained why aspects of Mrs J’s claim were excluded from its settlement payment. It says Mrs J sent a quote on 19 March 2024 for £600 to cover guttering and roof repairs. esure says it agreed to pay these costs. It deducted £375 policy excess from this amount and sent a cheque for £225 in settlement with a covering email.

esure says Mrs J replied to this email the same day. It says she wasn’t happy that a “*mega store*” that had been damaged in her garden wasn’t covered and made a Subject Access Request (SAR). esure says it didn’t follow up on the SAR. But it comments that Mrs J was aware it had sent her a payment when she received its email. It says she didn’t reject the payment or contact it to say she hadn’t received the cheque. esure says it received no further contact until 23 July 2024.

In its response esure says it can pay £225 direct to Mrs J’s bank or she can withdraw the claim and it will change the record to show the no-claims bonus (NCB) as ‘allowed’. It also offered Mrs J £50 compensation for not processing her SAR.

esure sent a further complaint response dated 7 August 2024. It says the prices Mrs J was quoted by other insurers are outside of its control. It says Mrs J can show how many years NCB she has by referring to the schedule of insurance it sent as part of its renewal invitation.

Mrs J didn't think esure had treated her fairly and referred the matter to our service. esure subsequently offered a total of £100 compensation to resolve the complaint. This was put to Mrs J but she didn't accept. Our investigator decided to uphold her complaint. She says esure should've contacted Mrs J to clarify if she wanted to proceed with her claim. She says esure should pay a total of £200 compensation to acknowledge the impact of not doing so.

Mrs J didn't accept our investigator's findings and asked for an ombudsman to consider the matter. It 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.

Having done so my intention is to uphold this complaint in part. I won't be adding to the compensation our investigator thought was fair. I'm sorry to disappoint Mrs J but I'll explain why I think my decision is fair.

The Claims and Underwriting Exchange (CUE) database is used to identify misrepresentation and fraud. The majority of insurers are signed up to CUE including esure. Insurers must make an accurate record on the database of any incident whether it leads to a claim or not. This record must include any costs the insurers paid. The crux of Mrs J's complaint is that esure recorded her claim incorrectly. This has resulted in her being unable to obtain insurance, or where cover was offered this was at an inflated price. My focus here is whether esure treated Mrs J fairly in the records it created.

esure's records show Mrs J submitted a claim online in January 2024. I think it's clear that her intention was to make a claim by completing this form. The notes show that esure didn't agree to cover all of the damage Mrs J reported. Fences were excluded, as was the "*mega store*". However, I'm not considering the claim value here. My focus is on the records esure made in relation to the claim.

I've seen the email esure sent to Mrs J dated 20 March 2024. This says a cheque has been issued for £225 that she should receive within five working days. The email explains the items that are covered and those that aren't. The email says Mrs J should make contact if she wants to discuss this further.

Mrs J responded to esure the same day. In her email she says, "*Sorry but that's not acceptable*". She refers to certain items that should be included in her claim and requests a transcript of the call when she agreed the policy. Mrs J also refers to making a SAR.

The claim records show the next contact is on 23 July 2024. So around four months later. This is where Mrs J refers to insurance being declined because of a live claim on her account. I can see from the notes that Mrs J was concerned about having no insurance. Her policy had been set so that it wouldn't automatically renew. The notes indicate she asked if she could be insured whilst this was resolved. But this wasn't agreed.

esure sent its complaint response the following day. It explained that it could reissue its claim payment or Mrs J could withdraw the claim. She raised further concerns. esure responded on 30 July 2024. It says she didn't make it clear in her email dated 20 March that

she wanted to withdraw her claim. It says the tone of the email related to the garden storage (mega store) not being covered. The email explains that the settlement cheque has now been cancelled and Mrs J's NCB has been set to "*allowed*". esure says this is on the back of her instruction to withdraw the claim.

I'm satisfied that esure's email in March 2024 was clear that a settlement payment had been issued. Mrs J responded to say it wasn't acceptable. But she didn't withdraw her claim at that time. If she had it would be recorded as settled, NCB set to allowed, with no associated cost. As it is the claim was to be recorded as settled, NCB set to not allowed, with £225 recorded as the claim cost.

esure didn't respond to Mrs J's email about the settlement being unacceptable or the SAR she submitted. It should've responded. That said Mrs J was aware that she was being sent a cheque. She didn't instruct esure to withdraw her claim or otherwise state that she no longer wished to proceed. And she didn't make contact when she didn't receive the cheque.

In these circumstances I think both parties are partly responsible for the confusion that occurred. esure should've contacted Mrs J in response to her email. Mrs J should've been clearer in how she wanted to proceed, and informed esure she hadn't received its cheque. However, I don't think esure treated Mrs J unfairly in how it dealt with the matter. A claim had been made and was recorded correctly at the time. This was later amended when Mrs J gave her instruction to withdraw her claim.

I asked esure to show how it had now recorded the claim. It responded to say that the claim on its internal system has been recorded as "*opened in error and closed*". It says this means it's as though no claim had been made. The business says that the claim hasn't been added to the CUE database. This means there's no record of a claim that could impact on Mrs J's ability to obtain future insurance or impact on the cost of her premiums.

Mrs J can contact her current insurer to see whether a refund is due on the premium she initially paid to reflect the updated claim record. If she isn't satisfied with its response she can complain to her insurer. But this isn't something I can consider here. Based on what I've read I don't think esure recorded the claim unfairly in March 2024. The record was changed when Mrs J raised her concerns in July. I think this was fair and it was done in a reasonable timeframe. So, I won't ask esure to do anymore in relation to this point.

That said esure could've communicated with Mrs J better than it did. It didn't respond to her March 2024 email and didn't act on the SAR she submitted. I can see that she was caused frustration and some distress as a result. In these circumstances I agree with our investigator that esure should pay Mrs J compensation. I think £200 in total is fair.

My final decision

My final decision is that I uphold this complaint in part. esure Insurance Limited should:

- pay £200 compensation in total for the frustration and distress it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J and Mr J to accept or reject my decision before 25 March 2025.

Mike Waldron
Ombudsman