

## **The complaint**

Mr R has complained about problems he had with esure Insurance Limited when he tried to renew his car insurance policy in November 2023. And about the further problems he had with the new policy he took out with regards to changing the vehicle insured under it and associated issues.

## **What happened**

Helpfully, Mr R has provided a detailed timeline of the events that led to his complaint and his complaint points. And esure has seen these, so I will not set the sequence of events and Mr R's complaint points out in detail.

In summary, Mr R thought he'd renewed his car insurance policy in November 2023 when he called esure. But he found out a few days later it hadn't renewed. And he then had to take out a new policy with esure. He then had problems changing the insured vehicle when he bought a new car and esure wouldn't honour the quotation he'd got online to add this. esure also threatened to cancel his new policy. Also, when Mr R called to check up on his complaint, the agent couldn't find his policy using the correct registration number.

Mr R complained to esure. It didn't uphold his complaint, but it did pay him £75 in compensation for the delay on its part in handling it.

Mr R asked us to consider his complaint. One of our investigators did this. She said it should be upheld and esure should pay Mr R a further £275 in compensation. esure agreed to do this.

But Mr R isn't happy with the investigator's view and the case has been passed to me for a decision. He's said he lost out financially because he had to pay a deposit of £222.57 when he took out his new policy in November 2023, which he wouldn't have had to pay if his previous policy had renewed. He also thinks he should receive a compensation payment for the distress and inconvenience he experienced of £500 in total. And he has made various points about esure's responsibility under the Financial Conduct Authority (FCA) rules, in particular, around Consumer Duty.

## **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 asked our investigator to make extensive enquiries with esure as there were a number of things that concerned me and simply didn't make sense. And I can completely understand Mr R's frustration with its seemingly appalling administration with regards to both his policies. And I'll explain what I think about this.

I should also say that I've not considered Mr R's concerns about the way esure handled his complaint, as our rules do not allow me to do so. But I do understand his frustrations with regards to this as well.

Returning to the issues Mr R had with regards to his policies. Mr R called to renew the policy he had that was due to expire in November 2023. But it didn't renew due to an error by esure. esure should have realised this and apologised and set a new policy up for Mr R when he called on 21 November 2023. This should have been at the same premium as his previous policy without him having to pay a deposit. This would have put Mr R back in the position he'd have been in if his previous policy had renewed as it should have done, except for the fact he'd been uninsured for a few days.

Nothing happened in the few days Mr R was uninsured and he didn't realise he was uninsured, so the only distress he suffered initially was the shock of finding this out. But he then suffered further distress because esure failed to pick up on its error and made Mr R take out a new policy at a different premium and pay a deposit. However, while the fact Mr R had to take out a new policy and pay a deposit was undoubtably inconvenient, I do not think it means he suffered a financial loss. This is because esure has provided proof to show the premium for Mr R's new policy was lower than the premium for his previous policy. And, while he paid this by a deposit and ten instalments, instead of 12 instalments, Mr R actually paid less overall as result of esure's failure to renew his previous policy.

This also means when Mr R insured his new car under his new policy, it is most likely to have been slightly cheaper than it would have been under his previous policy. But I was concerned to hear Mr R had a quote to add this vehicle, which he tried to proceed with, but couldn't. And then when he called esure it wouldn't honour this. He then also received a quote for a higher amount. However, I can see Mr R was able to add his new vehicle and he didn't end up paying more than he was originally quoted to do this. So, I do not think he lost out financially as a result of any problems with esure's system around changing the vehicle on his new policy.

esure can't explain why its agent told Mr R, when he called on 7 March 2024, she couldn't find his policy using the correct vehicle registration. But the agent did eventually reassure Mr R that the correct vehicle was insured. So, despite his understandable concern initially, I don't believe Mr R suffered much distress because of this issue.

However, what is clear is that, while Mr R probably didn't lose out financially due to esure's errors, he experienced a very poor level of service indeed and had a very frustrating time for an extended period. It's also clear that at times esure failed to meet the standards it was required to meet in terms of Consumer Duty. And Mr R also had the upset of thinking he'd lost out financially, albeit he hadn't, and the frustration of esure seemingly being incapable of finding a previous policy he clearly had and was offered the option to renew.

In view of all of this, I think Mr R has suffered significant distress and inconvenience. So, I've thought about the compensation Mr R should receive for this. I do not consider the £75 esure has already paid him is relevant, as this was for poor complaint handling, not its general poor administration.

So, while I agree with our investigator that a payment of £350 for distress and inconvenience is appropriate, I do not consider the £75 esure has already paid should be deducted.

### **Putting things right**

From what I've said, it will be clear I think esure needs to pay Mr R a further £350 in compensation to compensate him for the distress and inconvenience he experienced because of the poor service it provided to him.

### **My final decision**

I uphold Mr R's complaint about esure Insurance Limited and order it to pay Mr R £350 in compensation for distress and inconvenience.

esure must pay the compensation within 28 days of the date on which we tell it Mr R accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 16 April 2025.

Robert Short  
**Ombudsman**