

## **The complaint**

Mr S complains about how esure Insurance Limited (esure) handled a claim under his motor insurance policy for damage to his vehicle.

References to esure include their agents who administer the policy and assess claims.

## **What happened**

In September 2023 Mr S was involved in an accident, in which his vehicle was in collision with a third party vehicle. Mr S thought the third party responsible for the accident as they collided with his stationary vehicle. He contacted esure to tell them about the accident and lodge a claim. After some initial confusion over the approved repairer allocated to repair the damage, esure appointed a repairer (M) to repair the vehicle. M collected the vehicle and following completion of repairs, returned the vehicle in early November 2023.

However, Mr S wasn't happy at esure's handling of the claim, for several reasons. These included having to chase esure for updates on the claim, including the question of liability for the accident. While Mr S maintained he wasn't at fault for the accident, providing detailed evidence to support his view, which esure sent to the third party insurer. But liability was disputed by the third party insurer, before they accepted liability (although this wasn't until May 2024). The claim was settled in June 2024.

Mr S also had to spend significant time trying to contact esure. At the time he was also having to deal with significant health issues, requiring hospital appointments and dealing with the claim added significant anxiety and stress to what was already a difficult situation.

He'd also had to pay upfront the policy excess (a total of £1,300) before repairs were carried out. He wanted this recovered through the motor legal protection cover of the policy he'd taken out. esure said the excess would only be reimbursed if esure were to make a full recovery of their outlay on the claim from the third party insurer, which could take some time to be settled. (The excess was reimbursed to Mr S in July 2024).

While the claim was being assessed, Mr S received his renewal notice for the policy in late November 2023. He was unhappy the renewal premium had increased to some £1,240 – which he calculated to be an increase of 244%. As the claim was ongoing at the time of renewal, he felt obliged to renew his policy with esure rather than seek alternative cover elsewhere. From quotes he obtained online, he thought esure's renewal was based on the presumption the claim would be a fault claim against him. He obtained a quote of £913.49 when inputting no claim (given he thought the accident wasn't his fault).

Unhappy at how esure had handled his claim, Mr S complaint in December 2023.

esure upheld the complaint in part. In their final response, issued in February 2024, they apologised for the delays and difficulty Mr S experienced in contacting them, as they'd experienced longer than usual wait times for customers. On the claim, they'd contacted the third party insurer for their comments on liability for the accident, which were awaited. In recognition of the issues Mr S experienced, esure awarded £50 compensation.

Mr S then complained to this Service. He was unhappy at how esure had handled his claim for several reasons. These included delays in repairs to his vehicle, esure's handling of liability for the accident, the time taken to settle the claim; the time he was without the excess he'd claim under the claim; and the impact of the claim being deemed a fault claim, rather than non-fault on his renewal premium. He wanted compensation for what had happened, including the impact on his renewal premium of the claim being deemed fault rather than non-fault, interest in the £1,300 excess he'd paid (before it was reimbursed), a goodwill payment for the multiple service failings in the handling of the claim, as well as the emotional distress, frustration and impact on his sleep and health over the period.

Our investigator upheld the complaint, concluding esure hadn't acted fairly. She noted the third party insurer disputed liability for the accident, meaning the claim would have taken longer to settle than the three months Mr S expected. On repairs to Mr S's vehicle, M had contacted esure to say they hadn't been paid for work they'd carried out and were awaiting authorisation of the last supplementary invoice before submitting a final invoice to complete the repairs. So, she concluded esure were responsible for delays to the repairs.

On the increase in the renewal premium, esure said without the claim the renewal premium would have been £964.15 and £1,089.82 with a non-fault claim. While the latter was higher than the separate online quote Mr S obtained (£913.49) she couldn't conclude this meant esure's renewal premium was unfair. And while Mr S felt he had to remain with esure while the claim was settled, she thought he could have changed insurers and then asked any new insurer to re-rate the premium once liability had been determined. On the policy excess, she didn't think esure should pay interest on the returned excess.

Taking account of the impact of what had happened Mr S described, the investigator thought esure should pay an additional £150 for distress and inconvenience (making a total of £200).

Mr S disagreed with the investigator's conclusions and asked that an ombudsman review the complaint. He raised a number of points. He said esure had been slow to respond to the third party insurer and there had been a lack of updates from esure. Given the impact on his health, he didn't feel £200 compensation was sufficient, thinking £600 more appropriate. He also referred to two previous decisions from this Service that awarded compensation of £500 and £400. He thought the published guidance from this Service on awards for distress and inconvenience indicated an award in the range £300 to £750 would be fair.

In my findings I concluded what happened caused Mr S considerable distress, upset and worry and significant inconvenience and disruption over many months. From the date of the accident to the settling of the claim and reimbursement of his excess took some nine months. While claims could take a considerable time to assess and settle, particularly where there's a dispute over liability for an accident, I thought this claim should have been settled earlier than it was.

Taking all these things into account, I concluded £400 compensation for distress and inconvenience would be fair and reasonable in the circumstances of this case. As esure awarded £50 compensation in their final response, this meant they should pay a further £350 compensation for distress and inconvenience to Mr S.

Because I reached a different conclusion to that of our investigator on what would be fair and reasonable compensation for distress and inconvenience, I issued a provisional decision to give both parties the opportunity to consider matters further. This is set out below.

*What I've provisionally decided – and why*

*I've considered the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*My role here is to decide whether esure have acted fairly towards Mr S.*

*When bringing his complaint to this Service, Mr S raised issues and events that post-date esure's final response issued in February 2024. At that point, liability for the accident hadn't been determined or agreed and Mr S hadn't received reimbursement of the excess he'd paid under the policy. While esure necessarily didn't consider these subsequent events in their final response, they did form part of this Service's investigation of Mr S's complaint and esure had the opportunity to provide farther evidence, information and representations about events subsequent to their final response. They also had the opportunity to respond to our investigator's view and recommendations, which they did (they accepted the findings and recommendations). So, in reaching my decision on this case, I've considered both esure's final response and subsequent events through to Mr S's complaint and to the settling of the claim (including reimbursement of his policy excess).*

*Mr S's complaint includes what I think are several key elements, which I'll consider in turn. While I may not comment in detail on every aspect of Mr S's complaint, I'd want to reassure him I've looked at all the evidence and information he's provided (and that provided by esure) when reaching my findings and conclusions. The following are what I consider to be the broad complaint aspects.*

*(a) Vehicle repairs*

*From what I've seen, there was some initial delay and confusion over the repairer appointed to repair the damage to Mr S's vehicle. But M were appointed within a week of the accident and collected the vehicle, returning it to Mr S at the beginning of November 2023. Esure say there was some extension to the timeline because of having to back order parts. This can be an issue – and one beyond esure's direct control - but looking at the overall time for the vehicle to be repaired and returned to Mr S, this doesn't seem particularly unreasonable. Nor have I seen any evidence or indication of any issues with the quality of the repairs. Mr S also points to issues with esure paying invoices for work carried out by M (and there's some evidence of M complaining to esure about this). However, the latter is an issue between M and esure – not Mr S – and doesn't appear to have affected the return of Mr S's vehicle to him – although it may have affected esure providing claim cost information to the third party insurer, although that wouldn't have affected the third party insurer continuing to dispute liability.*

*(b) Claim liability*

*Mr S maintains strongly he wasn't at fault for the accident, providing detailed evidence to support his case. From the limited case notes provided by esure and Mr S's timeline of events, liability was disputed by the third party insurer (as late as March 2024). Esure challenged the third party insurer, who accepted liability in May 2024. The claim was settled in June 2024, although Mr S maintains he was told there was a delay in esure submitting costs to the third party insurer between March and April 2024, and May and June 2024. I recognise Mr S believes strongly he wasn't at fault for the accident, and that the third party insurer eventually accepted liability after having disputed it. Claim liability can be an extended process where liability isn't immediately accepted by one party or the other (their insurers) and this can be frustrating to policyholders where they believe it's clear they weren't at fault for an accident. In this case, I can see some delays in the process, but ultimately liability can only be determined by acceptance by one party or the other (as in this case) or by agreement for liability to be split (often on a 50/50 basis). And the policy terms*

*and conditions provide for esure to make the decision on liability (where it isn't accepted by the other party insurer).*

*In the circumstances of the case, with the accident occurring at the end of September 2023 and Mr S's renewal invitation issue towards the end of November 2023, as the third party insurer didn't accept liability in that period, then esure would have treated the claim as being open and liability in dispute. In those circumstances, they would take this into account when calculating the renewal premium (which I'll come onto).*

*But given the delays that I think arose in this case, I'll consider the implications for what I think esure should do when I've considered the other elements of the complaint.*

#### *(c) Impact on renewal premium*

*Mr S is unhappy at the significant increase in his renewal premium when his policy came up for renewal in November 2023, citing a significant increase (to some £1,240 or 244%). As I've noted above, with a claim outstanding at the time, it was always likely it would affect – increase – Mr S's renewal premium, alongside any other factors that would affect the renewal premium. For example, general increases in premiums (as have been the subject of public coverage in the media and elsewhere in recent times) reflecting such things as increases in claim costs and repair costs.*

*Mr S has provided screenshot evidence of him obtaining quotes from comparison websites, indicating a premium of £913.49 (if the accident was recorded as non-fault) and £1,346.68 (if recorded as fault). When responding to our Service's investigation, esure provided pricing information about Mr S's policy. They said the original premium with no claim listed was £964.15 but the premium was re-rated with a non-fault claim recorded correctly at a premium of £1,089.82. esure made a mid-term adjustment to the policy, backdated to the start of the policy year.*

*While I haven't seen detailed pricing information for Mr S's policy, these figures don't seem unreasonable as they aren't significantly different to the example figures provided by Mr S. The latter figures also don't include the specific details input by Mr S, not the date on which they quotes were obtained (pricing of insurance policies will vary over time, so it isn't possible to make a simple, direct comparison of the figures provided by Mr S with those provided by esure).*

*So, I can't reasonably conclude esure have acted unfairly with respect to Mr S's renewal premium.*

*A further aspect of Mr S's complaint is that he felt obliged to continue his policy with esure given the outstanding claim at the point his policy came up for renewal. I can appreciate why Mr S felt this way, but it doesn't mean esure have acted unfairly or unreasonably. Mr S could sought quotes for a policy with an alternative provider, including the fact that at the time there was an outstanding claim under his policy with esure. And had he done so, he could always have asked any new insurer to re-rate his policy at the point esure settled the claim as non-fault.*

#### *(d) Policy excess*

*When Mr S made his claim and his vehicle was taken in for repair, he was required to pay the policy excess (comprising a £300 compulsory excess and a £1,000 voluntary excess). Mr S is unhappy his excess wasn't reimbursed until June 2024 (by cheque) and believes he should receive interest on the amount because he lost use of the sum for the period.*

*Looking at the issue, payment of a policy excess when a claim is lodged is standard practice in the insurance sector in those circumstances. The excess is due regardless of liability for the claim. If the claim is a fault claim (whether or not the loss or damage giving rise to the claim involves a third party). In the event liability is accepted by any third party (their insurer) then the policy excess would be considered an uninsured loss than can be sought from the third party insurer, for example under the motor legal protection cover of a policy, if that cover is taken out.*

*In the circumstances of this case, reimbursement of Mr S's excess wouldn't have been possible until the third party insurer accepted liability and esure were able to secure payment of the sum, along with their claim outlays. In this case, liability was accepted by the third party insurer in May 2024 and the claim settled towards the end of June 2024, when esure reimbursed Mr S's excess.*

*Given these points, I've concluded that while there was some delay from esure in their challenging the third party insurer on liability for the claim, this wasn't significant to the extent it would be reasonable to ask them to pay interest on the sum. As I've said, Mr S would only have had his excess reimbursed when liability was accepted by the third party insurer.*

*And the majority of the excess was voluntary – that is, Mr S elected to add £1,000 voluntary excess on top of the £300 compulsory excess which would have been the minimum excess under the policy. Put another way, Mr S was willing to pay an additional £1,000 towards the cost of any claims made under the policy (a higher excess would be likely to mean lower premiums, which is usually the reason consumers elect to add a voluntary excess to any compulsory excess).*

#### *(e) Communication with esure*

*Mr S also complains about communication with esure during the claim, including the significant amount of time he spent contacting – or trying to contact – esure and a lack of updates provided by esure about progress with the claim and what was happening. In their final response, esure acknowledge delays and difficulty Mr S experienced in contacting them, as they'd experienced longer than usual wait times for customers.*

*When bringing his complaint to this Service, Mr S provided a detailed timeline of events, including dates of his contacting esure, including the time he spent on the phone and in live chats online. He also provides examples of when callbacks were promised but not made and esure acknowledging resourcing issues (which is consistent with what esure have said about longer than usual wait times for customers). He also lists examples of esure taking time to communicate with other parties, including the third party insurer and M.*

*Taken together, I've concluded esure's communication with Mr S fell short of the standard he should have expected, and this has contributed to the distress and inconvenience he experienced. I'll consider what esure need to do to put things right alongside my other conclusions and what Mr S has told us about the impact of what happened has had on him.*

*Taking all these findings and conclusions into account, I've then considered what I think esure should do to put things right.*

*In doing this I've also considered carefully what Mr S has said about the impact on himself. This includes the impact of a significant health issue in the period following the accident, requiring multiple hospital visits. I agree this would have meant a greater impact of what happened on Mr S, beyond the inherent stress and inconvenience involved in any accident and subsequent claim.*

*I've also looked at the two example decisions published by this Service that he thinks are similar to his own case, both which involved the award of higher sums for distress and compensation (£500 and £400 respectively). Both are motor insurance cases involving claims and both involve esure as the insurer. One involves a claim and its handling, the other a case where a claim led to a total loss settlement. I've looked at both decisions carefully and while there are some similarities – particularly in one of the two cases – it's important to note that when we consider awards for distress and inconvenience, we take a range of factors into account, and each case will have a unique set of circumstances to consider. Which means there is no one, definitive outcome. Rather, it's a judgement about what is fair and reasonable in the specific circumstances of a case.*

*In Mr S's case, I've considered the conclusions I've reached about each of the specific elements of complaint he's raised. I've also considered the impact on him, including what he's told us about his health.*

*I've then considered the circumstances of the case together with the published guidelines from this Service on awards for distress and inconvenience (to which Mr S also refers).*

*I've concluded that what happened caused Mr S considerable distress, upset and worry and significant inconvenience and disruption over many months. From the date of the accident to the settling of the claim and reimbursement of his excess took some nine months. While claims can take a considerable time to assess and settle, particularly where there's a dispute over liability for an accident, I think this claim should have been settled earlier than it was. Taking all these things into account, I think £400 compensation for distress and inconvenience would be fair and reasonable in the circumstances of this case. As esure awarded £50 compensation in their final response (albeit at an earlier stage in the claim process) this means they should now pay a further £350 compensation for distress and inconvenience to Mr S.*

*My provisional decision*

*For the reasons set out above, it's my provisional decision to uphold Mr S's complaint. I intend to require esure Insurance Limited to:*

- *Pay Mr S a further £350 compensation for distress and inconvenience, in addition to the £50 they've already paid.*

*esure Insurance Limited must pay the compensation within 28 days of the date we tell them Mr S accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.*

Both Mr S and esure responded to say they accepted the provisional decision and the proposed £400 compensation for distress and inconvenience. Esure did say they'd since paid Mr S a further £200 compensation in addition to the £50 they'd already paid. Which would mean they would pay a further £150 compensation.

### **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.

My role here is to decide whether esure have acted fairly towards Mr S.

As Mr S and esure have accepted my conclusion that £400 compensation for distress and inconvenience would be fair and reasonable, then my final decision remains the same as my

provisional decision. On the assumption, as esure have said, that they've now paid a total of £250 compensation to Mr S, then they should pay a further £150 to make a total of £400.

### **My final decision**

For the reasons set out above, it's my final decision to uphold Mr S's complaint. I require esure Insurance Limited to:

- Pay Mr S a further £150 compensation for distress and inconvenience (on the assumption they've already paid a total of £250) to make a total of £400.

esure Insurance Limited must pay the compensation within 28 days of the date we tell them Mr S accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 February 2025.

Paul King  
**Ombudsman**