

The complaint

Mr G complains esure Insurance Limited (esure) unfairly settled his claim on his motor insurance policy after his car was classed as a total loss. He also complains about delays with his claim, the courtesy car provided and that it declined to pay storage costs for his damaged car.

What happened

Mr G made a claim on his motor insurance policy after his car was damaged in an incident. He was provided with a courtesy car. Mr G asked for the courtesy car to be upgraded to a larger car. This was organised at an extra cost.

The damaged car was taken to the garage in which Mr G worked. esure deemed it beyond economical repair and it was classed as a total loss. It made Mr G a total loss settlement offer of £6,000 less the policy excess. He was not happy with this settlement amount, he felt it was worth a lot more, and that esure had caused a delay in deeming the car a total loss.

After esure made its settlement offer Mr G told esure there were storage costs payable to the garage, which it declined to settle.

esure paid Mr G £100 for the delay in making its settlement offer.

Because Mr G was not happy with esure, he brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said they were satisfied esure's total settlement was fair and reasonable because it was higher than both the valuation they obtained and esure's engineer's inspection report. And £100 compensation for the delay in providing the outcome of the claim was fair, considering he had been kept mobile during this time. They didn't think esure acted unfairly by declining the reimbursement of storage costs because there was no evidence it had arranged this or agreed to the costs before they were incurred.

As Mr G is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

Delay

The incident with Mr G's car happened on 11 May 2024. The car wasn't deemed a total loss by esure until 17 July 2024.

An estimate for repairs was completed on 5 June 2024 and submitted to esure. It didn't record it had been received until 21 June 2024. esure didn't make its settlement offer for a

further four weeks. I didn't see any explanation for this delay. I saw Mr G made a number of calls to esure to try to progress the claim.

esure has accepted it caused delays to the claim by failing to review the repair estimate, and in turn this caused the delay in placing a total loss settlement value on the car and issuing payment for this. It paid Mr G £100 compensation for the delay it caused.

I agree there was an avoidable delay in esure considering this claim but as Mr G was provided with a courtesy car when he made the claim, which kept him mobile throughout this delay I think £100 is a fair compensation payment and therefore, I don't uphold this part of his complaint.

Courtesy car

Mr G complains the courtesy car provided by esure was taken back before his claim was settled. In addition he is unhappy about the additional daily cost he had to pay for being provided with a courtesy car similar to that of his damaged car.

I looked at the terms and conditions of Mr G's policy and it says;

"Our Courtesy car service

A courtesy car is provided whilst your car is being repaired by the recommended repairer as part of a valid claim, as long as you have a comprehensive policy which remains in force for the duration of repairs. We aim to provide a courtesy car to you within two working days.

- A courtesy car is not available if your car has been stolen and not found, or considered to be a total loss. If we decide that your car is a total loss after providing the courtesy car, it will be withdrawn.*
- The courtesy car will be a small car, such as a Nissan Micra or Toyota Aygo, which will automatically be insured on your policy at no cost. Normal policy terms and conditions apply."*

Mr G was provided with a courtesy car which as smaller than that of his damaged car. I recognise Mr G was going on holiday and needed a like for like car, however his policy with esure only covers him for a small car and not a like for like courtesy car.

I listened to a call in which this was discussed, and esure advised Mr G it wouldn't cover the upgraded car hire costs. It did say it may be possible for this to be added to the third-party costs. At his own request he was provided with a larger seven-seater car and was charged £400 for ten days hire by esure's approved car hire partner.

I saw esure emailed Mr G at the time the courtesy car was upgraded and said if the incident was settled as non-fault he could try and claim this from the third-party insurer. It passed details of the upgrade costs on to the third-party insurer which I think was a reasonable offer of support.

I can't fairly tell esure to cover any additional costs for an upgraded car or to continue to chase this with the third-party insurer on his behalf .

Mr G's car was deemed a total loss on 17 July 2024, and I saw the courtesy car was taken back on 24 July 2024. This was within the terms of the policy because a courtesy car is not provided if a car is deemed a total loss. I can't say esure were unfair to not continue to provide it from this date and therefore, I don't uphold this part of his complaint.

Valuation

In this case because the cost to repair the car outweighed the total loss costs it was found to be beyond economical repair and declared a total loss. My role is not to provide an exact valuation but to make a judgment as to whether the offer of settlement made by esure is fair.

I firstly looked at the terms and conditions within Mr G's motor insurance policy. It says; *"The market value is the amount you could reasonably have expected to sell your car for on the open market immediately before your accident or loss. Our assessment of the value is based on cars of the same make and model and of a similar age, condition and mileage at the time of accident or loss. This value is based on research from motor trade guides including: Glass, Parkers and CAP. This may not be the price you paid when you purchased the car."*

Although this service doesn't value vehicles, we do check that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. We use valuation guides to do this, and they're based on nationwide research of likely selling prices and take the car's specifications, mileage etc into account.

This service doesn't consider the question of market value to be an exact science. Our general approach is that the valuations given in the main motor valuation guides provide the most persuasive and consistent evidence. These guides are based on extensive nationwide research of likely (but not actual) selling prices.

I looked at the information esure used when calculating the market value for Mr G's car. I saw it obtained a valuation of £4,750 from one of the main valuation guides. It also provided adverts of similar cars for sale. esure offered £6,000 which was just above the advertised sales price of a car very similar to that of Mr G's. Because Mr G wanted to keep the salvage of the car and complete the repairs himself esure said it would deduct a salvage cost of £2,437 which it confirmed was the cost to its approved salvage agent. This made a total of £3,563 payable.

I looked at the valuations our investigator obtained. Due to the age of the car only one guide was available. The valuation was £4,750 which was the same as that of esure.

I understand Mr G thinks the valuation should be approximately £9,000 and he provided copies of cars advertised for sale which included some advertised for more than the total loss value. I looked at these adverts and found them to be for newer/lower mileage cars and therefore I am not persuaded these were a realistic comparison of value for Mr G's car.

Because Mr G didn't agree with esure's settlement, it obtained a professional report on the car. It valued the car at £4,350 with a salvage cost of £1,522.50. Taking into account these figures this would mean a total loss settlement of £2,827.50

Based on the evidence provided I think the settlement of £3,563 is fair in this case. The total loss valuation is far above that of the valuation guide and was in line with the advertised sales price of the same model of car with similar specification and condition. And the salvage cost was calculated as per its approved salvage partners process.

I saw that esure processed payment of the settlement to Mr G in mid-August 2024. It also added 8% simple interest to the amount, due to the delay in making its settlement offer.

I don't uphold this part of Mr G's complaint.

Storage costs

The terms and conditions of the policy say esure will *arrange and pay for storage* if it *thinks storage is necessary*.

At the start of June 2024 Mr G told esure his car was being kept at a garage of which he was the manager. He didn't tell it there would be any storage charges until mid-July 2024. This was after esure made its total loss settlement offer.

The car was kept in Mr G's possession at a garage he manages for the full duration of the claim. esure didn't arrange this, it was arranged by Mr G without any agreement with esure that there would be costs payable. I note there were no costs detailed on the repair estimate relating to ongoing storage.

As Mr G works as a manager in the car repair industry I think it is reasonable to expect he was aware that he would need to let esure know if there were going to be storage costs. This would have given it an opportunity to advise if it would cover these costs or if he would need to store the car elsewhere, such as on his driveway.

I recognise the car was damaged and likely not to be fit for driving on a long-term basis in its damaged state, but it was possible for it to be moved from the garage because the bumper had been patched up. Mr G even confirmed he used the damaged car after the courtesy car was taken back.

Considering all of the above points I don't think it was unfair for esure to decline to settle any costs for storage that it had not been made aware of or agreed and therefore I don't uphold this part of his complaint.

My final decision

For the reasons I have given I don't uphold this complaint.

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

Sally-Ann Harding
Ombudsman