

## **The complaint**

Ms L has complained that esure Insurance Limited wrongly didn't renew her motor policy as it failed to tell her that her premium payment didn't go through, which meant her policy which was due to automatically renew didn't occur and such renewal was in effect cancelled.

## **What happened**

Ms L had chosen to pay her premium for her motor policy in full at the outset and had also indicated she wished it to automatically renew. Ms L's policy was due to renew with esure on 16 March 2024. Ms L said she had been a customer of esure's since 2021. Esure sent Ms L an invitation to renew her policy on 13 February 2024 which Ms L said she received.

Esure said it sent Ms L two communications on 16 March 2024, one to say her policy had renewed and the other to say it couldn't take her payment of the premium which would mean unless she made arrangements to pay her premium, it would cancel her policy on 27 March 2024. Ms L said she didn't receive the communication to say it couldn't take her premium and therefore was intending to cancel her policy.

Ms L said the next communication she received was its letter of 27 March 2024 by post only, telling her that her policy didn't renew, and she had no motor policy on her car from this date. She said as she received this by post it was obviously after 27 March 2024.

Ms L explained that she had been away on honeymoon only returning to work on 16 March 2024. That day was obviously particularly busy in work, and she said she had a lot of meetings to attend so was not able to be looking at her mobile phone for any personal emails from anyone that particular day to include missing the fact that her bank wanted her to approve the payment to esure for the payment of her premium. She said the bank gives her eight minutes to do that which she obviously missed as she was involved in meetings. Prior to that she had just sold her house. So, she said she had funds to pay her premium and had she known the difficulty esure had, in trying to collect her premium amount, she would have ensured it was paid before the cancellation date.

Esure was of the view all its communications had been properly sent to Ms L via email through its portal and by post. But Ms L said she wasn't aware of any email telling her to look on the portal on 16 March 2024 and she never received any letter by post, dated 16 March 2024. She only received the invitation to renew and the letter of 27 March telling her she had no policy and wasn't insured.

Esure didn't think it had done anything wrong. On that basis Ms L brought her complaint to us. Initially the investigator thought it should be upheld. However, on further information from esure she didn't think it ought to be upheld.

Ms L disagreed so her complaint was passed to me to decide.

I issued a provisional decision on 5 February 2025, and I said the following:

*'Having done so, I'm intending to uphold this complaint. I'll now explain why.*

*The nub of this issue is the communications sent to Ms L on 16 March 2024 by esure. Esure stated it uploaded the letter to its portal explaining to Ms L that the payment method it had used previously wasn't working and that it needed her to pay her premium by 27 March 2024. Or otherwise, it would cancel her policy. It also said its system posted that letter. Ms L remains adamant she received nothing at all from esure dated that day to alert her not just that the premium couldn't be taken, but far more importantly that her policy was at risk of actually being cancelled unless she paid her premium by 27 March, some 10 days later.*

*There is no dispute at all that Ms L received all esure's other communications to her. Indeed, when she received the confirmation letter by post that her policy was actually cancelled on 27 March 2024, she immediately phoned it to explain she could pay now. Esure then told her it was too late, and she must get cover elsewhere, which Ms L did. So that shows me, Ms L would have likely been as responsive if she had received the communication sent on 16 March 2024. Therefore, on balance I don't consider she did receive the communications from esure sent on 16 March 2024 and she didn't receive these communications during the time period from 16 March 2024 to 27 March 2024 either. I'll explain precisely why further below.*

*I don't consider the fact that her bank might have asked her to pay the premium and given her work that day she didn't see it within the prescribed eight minutes to be that relevant here. Sadly, we live in a world now where messages on phone apps and by email to pay things which are a potential scam, can occur often for many of us. And therefore, routinely are just ignored by all of us, too. So, the fact nothing was in fact approved through the banking system by Ms L as she missed the window is likely to be the only reassurance she required at that time. Until she caught up with things, as she had literally come back from her honeymoon the day before and was straight back into her busy job.*

*I consider that the fact that Ms L obviously forgot her motor policy was due to renew that day also not to be of great relevance either. As if she had received the communication of 16 March 2024, she would have been prompted to do something about it then.*

*We asked esure to detail how its system worked. What it showed, told us, the communications with Ms L (excluding the 16 March) showed clearly on its system. There were appropriate cross references to show this. But as the entries we were given then showed all the communications made, excepting those made on 16 March, we then asked esure to show what its system said for those communications. Its system appears to show nothing at all for the communications at issue here. It does show a communication was sent confirming her policy was renewing on 16 March, but it crucially doesn't show the further communication apparently also sent on 16 March. This was saying, the premium couldn't be collected, and Ms L's policy was going to be cancelled on 27 March 2024, if payment of the premium wasn't received by then. Esure has specifically said for whatever reason its system can't show this communication, but it can show all the other communications. As esure is aware, this service is of the view that for something as important as a policy cancelling for non-payment of a premium instalment, we consider it should use at least two forms of communication, one of them being by post. Here, the situation is a little different as esure needed to take the entire premium (given Ms L's previous preferences to pay her premium) however there is no evidence to show me the system generated any email for Ms L to check into the portal to see the communication that her payment couldn't be taken and that she had until 27 March to*

pay it. And neither is there any evidence to show me the system actually generated the letter to post it either. However, the system does show me it put something in the portal and post where appropriate for all the other communications esure made to Ms L. So that has to mean that for whatever reason, esure's system on balance most likely didn't send those communications to Ms L. There is no other logical conclusion to come to in my opinion, more so given esure has admitted its system isn't showing this 16 March letter was actually generated and sent to email and post.

Ms L noted that she had ticked she was happy for all forms of communication to be used by esure in contacting her too. That is email, phone, text, and post. It's not for me to detail what system or method of communication esure should use except that we would require it to make an effort to use at least two forms of communication. Esure said its normal method given this is an online policy would be via the portal and by post. In situations like this where it's clear the system isn't showing a letter that was meant to be sent to a customer was sent, it's clear to me that esure had other means of communication to use also.

Ms L declared on her new cover that a policy had been cancelled so her new premium would obviously reflect that. We know that Ms L's new policy with esure was going to cost Ms L £867.86 and her premium for the previous year cost £998.41. Ms L said her premium that she paid elsewhere exceeded £867.86 as it was £1,215.25. On proof of that premium being paid by Ms L I consider then esure should pay the difference of £357.39 to Ms L with interest.

Technically though, as the consideration in the contract between Ms L and esure never passed from Ms L to esure, the contract for this policy simply never started. Therefore, it's not a case that the policy cancelled, but instead rather it simply didn't start. I don't consider Ms L needs to explain that to any future insurer either. Many consumers if they shop around each year, might not bother to tell their previous insurer they aren't renewing, more so in situations where the consumer decides to pay the premium annually as Ms L did here. That would be irrespective of whether the policy they chose last year was set to auto renew or not, in my view. So, in that case the renewal of the policy simply lapses. And indeed, if there was any accident the consumer's new policy elsewhere would be the insurer on risk in any event.

The crucial difference here is of course that Ms L thought she was covered from 16 March 2024 and only found out once she received the letter dated 27 March 2024 that she wasn't. Esure then said it would have been on risk for those days to any third party at least if Ms L had been involved in any accident. However, there is no evidence before me from either party that any such event happened during those 10 days. As esure has heard this service say many times over to complainants, we don't give credence to any hypothetical situations of 'what might have happened'. So given it's fairly clear Ms L isn't asking for cover for those 10 days, merely the fact that the policy she did have to buy was so much higher. Ms L also raised the issue that the fact she never received the communications of 16 March was also reckless. So crucially Ms L isn't asking for cover for those days in any event.

In the extraordinarily unlikely event in my view that such an accident has happened, esure would then be deemed to be the insurer on risk for those 10 days. It follows, given I am of the view, esure simply didn't ensure the communications it wanted to send Ms L on 16 March 2024 were actually sent to her, then it's not something which I can hold Ms L responsible for here.

I also consider esure should remove any notification that this policy was cancelled from all internal and external databases and confirming the same in writing to Ms L

*via email and post to Ms L not through its portal since she is no longer a customer. Therefore, Ms L will no longer be under any duty to disclose this to future insurers.*

*This has obviously caused Ms L further inconvenience than just paying extra for her premium. I also note Ms L's correspondence with us saying she didn't complain to get money from esure, she complained merely because she thought it was so wrong she didn't receive the relevant communication of 16 March as esure kept saying it sent her. So, I consider the sum of £200 compensation as originally suggested by the investigator to be fair here. It's also in line with our stated approach to such matters as more fully detailed on our website.'*

Ms L accepted my provisional decision and provided the proof of payment of her new premium with another provider.

Esure also accepted my provisional 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.

Having done so again, and with both parties accepting my provisional decision, I consider this complaint should be upheld for all the reasons given in my provisional decision above.

### **My final decision**

So, for these reasons, it's my final decision that I now uphold this complaint.

I now require esure Insurance Ltd to do the following:

- Confirm there is no cancellation notice against Ms L's insurance record on all internal and external databases and provide a letter to Ms L confirming this.
- On proof of the figures she paid, refund Ms L the extra premium she has now paid to her new insurer which Ms L has stated amounts to £357.39. It should add interest of 8% simple per year from the date Ms L paid this sum to her new insurers to the date it refunds her. If income tax is to be deducted from the interest, appropriate documentation should be provided to Ms L for HMRC purposes.
- Pay Ms L the sum of £200 compensation for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 18 March 2025.

Rona Doyle  
**Ombudsman**