

## **The complaint**

Mr H and Mrs M complain that esure Insurance Limited haven't given a fair settlement valuation for their car after it was deemed a total loss, and that they closed the claim without reason which delayed the settlement being paid, and Mrs M making a personal injury claim.

## **What happened**

In November 2023 Mr H made a claim on his car insurance policy following an accident in which his wife Mrs M was driving. Mrs M was a named driver on the policy so this complaint is made by them jointly, but I will refer to Mr H throughout as he is the policyholder.

esure deemed the car a write off but Mr H wanted to keep the car.

In January 2024 Mr H's claim was closed in error. It was reopened in September 2024 and an offer of settlement was made. Mr H disputed this settlement, but then nothing further happened. He complained, and esure apologised for the delay and offered Mr H £50 compensation.

Mr H remained unhappy with the valuation and the service provided, and so he brought his complaint to us. While it has been with us, esure have increased their offer for distress and inconvenience to £250.

One of our investigators has looked into Mr H and Mrs M's complaint and she thought that the valuation figure offered by esure was too low, but that the £250 offered for distress and inconvenience was fair. Neither esure nor Mr H and Mrs M agreed with this and so the case has come to me to review.

## **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'm upholding Mr H and Mrs M's complaint and I will explain why.

## **Valuation**

This service's role isn't to work out exactly what the value of an individual vehicle is. We look at whether the insurer has applied the terms of a policy correctly and taken reasonable steps to ensure a fair valuation was reached.

The terms of Mr H's policy outline how a valuation settlement will be calculated when there is a total loss. It says:

*"We won't pay more than the market value of your car at the time of loss, less the total excess payable."*

Market value is further defined in the policy as:

*'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's, Parkers and CAP. This may not be the price you paid when you purchased the car.'*

In line with this policy term, esure obtained the standard retail valuations for the model of car. These were Glass's – £1285, CAP – £2252, and Percayso – £1058. They took an average of these three figures to give a settlement offer of £1500, before deductions of excess and salvage.

I've checked the guides myself and obtained valuations of Glasses – £2250 Glasses – £1285 and Percayso £1423.

Our approach is that to avoid any detriment to Mr H, the highest valuation produced by the guides is the starting point – so a value of £2250 - and if the insurer offers a lower valuation, it should be supported by evidence such as adverts for similar vehicles.

esure have provided me with adverts for four cars. Only two are for the same model, and therefore what I would consider to be comparable, the other two are for a higher engine size. The mileages of the two comparable cars are slightly lower than Mr H's but their sale prices are £2090 and £2195, which would support a higher valuation than esure have suggested.

esure have also provided some sold prices from Percayso, but I there is no detail about which model cars these were and so I'm unable to use this information.

So having considered all of this information, I consider that a valuation of £2250 is fair and in line with our approach to car valuation.

### **Closing the claim and service issues**

The claim was closed in in January 2024 without Mr H being told. Mr H says that this caused a delay in the settlement being paid and it impacted Mrs M's ability to make a personal injury claim.

The claim was reopened in September 2024 and the settlement offer was made, which Mr H then disputed. esure told Mr H it would be looked into but nothing further happened. When he complained about this delay, Mr H was given £50 in the final response, and later offered £250.

I don't think that esure acted fairly in closing the claim without notifying Mr H. They say that it was because of a lack of contact, but as far as I can see, Mr H had provided all the information and the next step should have been esures' in terms of getting the car assessed and valued. So Mr H likely assumed the claim was still in progress.

However, the car the car was still driveable, and still in Mr H's possession, so in terms of the impact on Mr H and Mrs M, it will only have been in terms of the loss of any interest on the settlement, and a delay in them being able to get the repairs done, given that they wanted to keep the car from the outset.

I note that Mr H has said that it also delayed Mrs M making a personal injury claim, and he has provided some evidence from a solicitor which suggests that the delay will have impacted the possible success of a claim.

The time limit in England for making a personal injury claim is three years from the date of the accident, and so Mrs M is still well within the time limit. In addition, I can see that esure wrote to Mr H on 23 November 2023 to advise that any personal injury claim needed to be directed to their solicitors, and they provided the details of the solicitors for Mr H to make contact. Mr H has also confirmed that contact was made with the solicitors, but it wasn't followed up.

So, I don't consider that esure closing the claim has impeded Mr H's ability to make a personal injury claim, and as no personal injury claim has yet been decided, I couldn't reasonably say that the delay has impacted the merits or quantum of such a claim.

I do accept though that esure could have been more proactive in progressing the claim and should have contacted Mr H before closing it. I consider that the offer of £250 which esure have made for these service failings is a fair offer, so I won't be increasing it.

### **Putting things right**

In order to put things right esure should:

- Increase the valuation to £2,250, before any deductions are made for salvage and excess and pay the difference of £750.
- Pay 8% simple interest on this amount. We would normally say this interest payment should be calculated from the date the initial settlement payment was made to the date of the additional payment. However, in this case esure closed the claim without reason and so, settlement should have been made much sooner than it was. Because of this, I'm recommending the interest is paid from the date the claim was closed, 24 January 2024 to the date payment is made.
- Pay the £250 offered for distress and inconvenience, deducting any sum already paid

### **My final decision**

I'm upholding Mr H and Mrs M's complaint about esure Insurance Limited and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs M to accept or reject my decision before 22 April 2025.

Joanne Ward  
**Ombudsman**