

The complaint

Mr G complains that esure Insurance Limited wrongly cancelled his motor insurance policy and provided poor service.

What happened

Mr G bought a policy with esure on 17 June 2024, to start a month later. esure carried out standard verification checks, and on 27 June 2024 it told Mr G that it was cancelling the policy before it took effect. The cancellation was due to esure having found that Mr G had said the named drivers on the policy hadn't ever had a policy cancelled, when both of them had. esure said had it known that at the start it wouldn't have offered Mr G cover.

When Mr G called to discuss the situation on 2 July 2024 an advisor said the policy was still in place, before checking the situation. A senior advisor said later in the same call that the cancellation was pending. Mr G wasn't happy about the content of the call. Later, esure charged him £26 in error for the cancellation, and he noted that the number of the policy it quoted in an email was wrong. esure accepted that some confusion had arisen during the call, that the policy number was wrong (by one digit) and that as the £26 was taken in error it would refund it. But it said the policy's cancellation was correct.

One of our Investigators reviewed Mr G's complaint. She thought the cancellation was fair and reasonable and noted that esure had agreed to refund the £26 charge. As it hadn't yet done so, she queried it with esure, and it refunded the sum. The Investigator thought esure's advisors had dealt with Mr G's query about the policy number and that any confusion in the call was clarified, so she didn't uphold his complaint.

Mr G then provided extensive additional comments, raising some issues that he hadn't put to esure (for example, that it should have offered to provide the policy with an adjustment to the premium, rather than cancel it). He said esure had breached many regulatory and legal requirements and that the impact of its actions on him was serious. He cited having to sell his car as he couldn't afford the higher premiums quoted after the cancellation, and said he was caused significant distress and financial loss. Mr G said the cancellation marker should be removed, and that esure should apologise and provide further compensation for its errors. He also said we should address the industry-wide issues he'd highlighted.

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.

As stated above, Mr G made numerous comments after the Investigator issued her view and referred to various legal and regulatory matters for the first time. We can't make findings on matters of law, so if that's what Mr G wants, he will have to put the relevant issues to a court. I've taken into account what he has said about those matters, and about what he believes to be esure's regulatory failings, but my decision will be based on what I think is fair and

reasonable. I won't be referring to all the points Mr G has made, as I'll concentrate on what I think are the major matters on which I can give my opinion. And I can only address the issues Mr G raised with esure and / or that it commented on later in correspondence with us.

I think it was reasonable for esure to cancel the policy. It was for Mr G to ensure that when he applied for it he provided all the correct details, so esure could assess the risk to it should it offer cover. If a consumer includes named drivers on their policy, it's for the consumer to check that their driving history is set out correctly. Mr G didn't do so. He told us that was because he misunderstood its relevance and because the terminology used in insurance is complex. But I think Mr G was asked a clear, straightforward question (whether he, or any named driver on the policy, had ever had insurance declined, cancelled, or avoided). He gave the wrong answer to the question, so esure based the policy cover on the wrong facts.

esure was entitled to carry out routine checks (as all insurers do) in order to validate the policy. And it has provided evidence to us that had it known the facts about the named drivers' driving records it wouldn't have offered Mr G cover. Mr G is convinced that esure could still have offered him cover, for an increased premium, but in fact, esure's underwriting criteria didn't permit that. Mr G seems to think that esure acted out of line with good industry practice and that all insurers are obliged to offer cover at an increased premium as an alternative to cancellation. That isn't the case, and there's no overriding principle of flexibility. Insurers base their offers of cover on their underwriting criteria – and each insurer is entitled to decide what is acceptable to it in terms of risk, just as esure did in this case.

During the call with esure on 2 July 2024, Mr G could only have been affected for a short time by what he saw as confusing information, as I think the senior advisor he spoke to during that call explained the situation clearly. I don't think the content of the call amounted to a procedural error, or a *significant* lapse in communication, as Mr G has suggested. In fact, I think it can be argued that the first advisor was correct when she said the policy was still active. The cancellation decision had been made, but the cancellation was still pending at the time. The policy wasn't cancelled until two days later, on 4 July 2024 (as Mr G had been told in writing on 27 June 2024).

Furthermore, I don't think what was said in the call affected Mr G's ability to obtain new insurance, as he has claimed. He says he couldn't afford the higher insurance premiums quoted after the cancellation. Although I can see why that would have been upsetting for him, those quotes were due to *the cancellation*, not to the advice given in the call. And the cancellation resulted from esure having been given inaccurate information by Mr G. It must have been very hard for Mr G to have to sell his car, but in the circumstances here I can't hold esure at fault for Mr G's financial losses.

In terms of the wrong policy number being quoted and the £26 charge made in error by esure, Mr G told us they were part of his complaint, so we put them to esure, and it commented on them subsequently. The policy number set out by esure in an email was wrong (by one digit) which in my opinion, was a minor error. And I don't think Mr G has shown that he faced any detriment as a result of it, other than having to point it out. The £26 charge was an error, and esure has refunded the sum. Mr G didn't complain to esure about the delay in it doing so, so it hasn't had a chance to respond to that new complaint issue. It's open to Mr G to complain to it about the delay. He could also raise with esure the other complaint issue he told us about after the investigator had issued her view (esure having dealt with his complaint points as one complaint, not separately).

Mr G thinks esure failed to adhere to the principles set out by the Financial Conduct Authority ('FCA') which relate largely to businesses acting with integrity, due care and diligence, communicating clearly, paying due regard to the interests of customers, and treating them fairly. I've considered whether esure adhered to these principles in relation to

the issues I've been able to address as part of Mr G's complaint. I don't think Mr G has provided anything to show that it didn't act in line with them.

Mr G is concerned about some general issues (such as the lack of a public database of cancelled policies, and what he sees as the increasing trend for insurers to avoid fair resolutions for consumers). General issues such as these fall outside our remit, but Mr G could raise them with the FCA, as it regulates the insurance industry, should he wish.

Mr G says he has experienced significant distress and inconvenience, as well as the (unspecified) financial loss that followed the cancellation. Whilst I'm very sorry to hear about the position in which Mr G has found himself, I don't think there's any evidence that it's the result of errors or unfair treatment on esure's part.

I know Mr G will be disappointed with my findings, but as I don't think he has shown that esure acted unreasonably, I can't uphold his complaint.

My final decision

My final decision is that 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 22 May 2025.

Susan Ewins
Ombudsman