

The complaint

Mr M and Mrs M complained that esure Insurance Limited had failed to advise Mrs M that her motor insurance policy was due for renewal. Mr M brought the complaint on her behalf.

What happened

Mrs M's car was damaged in an accident in February 2025, and Mr M reported it to esure. He was surprised to find that the policy had expired the previous October 2024, and that Mrs M had been driving without insurance. Mr and Mrs M said they thought that the policy would auto renew, and esure hadn't told them about the policy's expiry or offered to renew it. esure wouldn't deal with her claim.

Mr M and Mrs M had updated their email contact details with esure in March 2024. Mr M, a named driver on the policy, had given them his email address then because he wanted to receive all communications about the policy, and esure had agreed to this.

esure said that when Mrs M took out the policy in about 2023 she'd chosen for it not to auto renew and so it was her responsibility to check that she had insurance cover. They said they had emailed Mrs M a policy renewal letter in September 2024, which explained that her policy would not renew automatically, but would expire on 10 October if she didn't renew it.

However esure accept that they didn't use the updated email address Mr M had given them in March 2024. Instead they'd used the email address when Mr M and Mrs M took out the policy. So esure accept that they used an incorrect email address.

esure upheld Mr M's complaint and offered £100 in compensation, increasing this to £200 after our investigator became involved. But Mr M and Mrs M said that didn't resolve the problem. esure wouldn't accept their accident claim, and Mr M and Mrs M were still paying finance for a car she couldn't use. Mr M said that they were willing to pay the policy premium from October to the accident date, and he wanted esure to deal with the claim and compensate them for their inconvenience and distress. So he brought the matter to us.

The investigator recommended that the complaint should be upheld. He thought that esure hadn't acted fairly and reasonably. esure didn't agree and so I've been asked to decide.

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.

esure showed us that Mrs M had taken out the policy via an online insurance comparison site, and that she'd then chosen online communication as her communication preference and had opted out of auto-renewal of the policy. esure have provided a screenshot from their records to that effect.

As the investigator explained, when a customer's policy is going to end, we'd expect the insurer to clearly explain whether the policy will automatically renew or not, and if not, when it will lapse, and the renewal premium. We expect that because there's a legal requirement to have motor insurance and not having it can have significant adverse consequences.

I've looked at Mrs M's policy documents. The policy schedule confirms that she has chosen not to auto-renew and that *"By not renewing your policy automatically with us, your policy will. end on your renewal. date and your cover will stop. This means if you miss your renewal date you could be left without insurance. "*

However the policy also says that *"When we send your renewal quote, we'll indicate if your policy will renew automatically... and set out our renewal terms and conditions. And, of course, we'll explain what you need to do to renew your cover. "*

So esure's policy requires them to send a renewal notice and Mr M and Mrs M were entitled to expect that.

esure said they emailed Mrs M the renewal letter, and it confirmed that the policy wouldn't auto renew and that the policy would expire on 10 October if not renewed. esure said they emailed it only because when she took out the policy her preferred communications method from esure was online, and so they only had to contact her by email and not any other additional method.

However, as esure accept, esure didn't use the correct email address, the updated one that Mr M had given them in March 2024. They say that they used the email address Mrs M gave them when she took out the policy, years before. Mrs M said she didn't receive the emailed renewal letter and esure haven't shown us evidence from their records to prove that it was sent. esure have shown us that in 2023 they had problems contacting her via that old email address and had written to her then about that.

In any event that was superseded by Mr M updating her contact email address in March 2024. esure acknowledged that change and confirmed to him that they had updated those contact details and would use that address whenever they needed to email about the policy from then on. So it was not reasonable of them to use an incorrect old email address to send Mrs M the renewal letter, particularly when they already knew that it was likely to be incorrect. If they had sent the renewal letter by post or emailed it to the correct email address they'd been given for the policy, they could have made Mr M and Mrs M aware of the upcoming renewal.

And so I don't think that esure acted fairly or in line with their policy terms, in that they didn't send her a renewal notice or do enough to make her aware that the policy wasn't going to renew without further action from her. Had they done what they should have done, used the correct and up to date email address, Mr M and Mrs M would have been alerted to the policy expiring and would have renewed the policy with esure or had the opportunity to choose alternative insurance elsewhere, and Mrs M would not have become uninsured.

And so I don't think that esure have acted reasonably towards Mrs M and I think that esure should put her back in the position she would have been in had the policy been renewed with esure. This means that esure should cover claims under the policy as if it had been in force at the accident date. Mr M has said that they are willing to pay the policy premium from October to a date shortly after the accident date, and I think that's fair, and I would expect them to do that.

Mr M refers to them having incurred cost in providing an alternative car for the third party. But this isn't something that an insured person would normally personally provide for a third party. So this cost to Mr M and Mrs M isn't one that this Service can consider under Mr M and Mrs M's complaint to us. A third party claims separately for their own costs.

Mr M and Mrs M say her car is still off road and she can't use it, and she has had not benefit of the finance cost she's paid for the car over that period. However when we look at car loss

of use claims we don't consider that type of payment but instead look at what alternative travel costs arose from not being able to use the car. Mrs M had another car available for use, and in that scenario we don't treat alternative costs as being incurred, and we've not been shown evidence of other alternative travel costs incurred. However I do see that it would have been inconvenient for her not to have use of her own car for several months and that she and Mr M have been caused further inconvenience since the accident by having to deal with esure over this situation too. I think £400 in compensation fairly reflects that level of distress and inconvenience.

My final decision

For the reasons I've given above, it's my final decision that I uphold this complaint. I require esure Insurance Limited to do the following:

- Treat the policy as if it had not lapsed and was in force at the accident date, apply its terms and conditions and deal with Mrs M's claim and the third-party claim under it
- Pay Mr M and Mrs M a total of £400 compensation for their distress and inconvenience

esure must pay the compensation within 28 days of the date on which we tell them Mr M and Mrs M accept 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 M and Mrs M to accept or reject my decision before 21 October 2025.



Rosslyn Scott
Ombudsman