

The complaint

Ms G complains about how esure Insurance Limited (esure) handled a claim made on her motor insurance policy.

What happened

Ms G was involved in a non-fault accident in April 2023. She has had a previous complaint dealt with by our Service in which she complained about delays to her claim for uninsured losses. This complaint dealt with all the complaint issues, and the impact of these issues, up to esure's final response dated 1 November 2023.

Ms G raised a second complaint which esure responded to on 26 July 2024 but she didn't refer it to our service. In August 2024, Ms G complained to esure about its failure to progress her uninsured losses claim and the impact of the open claim on the price of her insurance premium. Whilst waiting for esure's response, Ms G received its renewal invitation which she said was about £200 more than a like-for-like policy with a few other insurers. She said she remained with esure because she thought she couldn't take out insurance elsewhere whilst her claim remained open.

In its response of 5 December 2024, esure said Ms G was free to change insurers despite having an open claim with it. esure apologised if that hadn't been explained to her previously. esure said if Ms G wished to cancel the policy and find another insurer, it'd waive the cancellation fee and charge only for the time on cover. esure said it wouldn't reduce the premium by £200 as it hadn't made any errors in the renewal process or the premium charged. Shortly after esure's response, Ms G's claim for uninsured losses was paid.

One of our Investigators looked into this complaint and didn't uphold it. He thought esure wasn't at fault for the claim remaining open and that its renewal paperwork made clear Ms G could seek insurance elsewhere. Ms G didn't agree. She said esure had provided no explanation for the delay in progressing her claim. And that although the renewal paperwork confirmed she could shop around, she wasn't told this by esure's advisers. As the complaint couldn't be resolved, it was passed to me for decision.

I issued a provisional decision on Ms G's complaint. This is what I said about what I'd 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 aware I've set out the background to this complaint in less detail than the parties have presented it. I'm not going to respond to every single point raised. Instead, I've focused on what I find are the key issues here. I assure both parties, however, that I've read and considered everything they've provided.

I also want to be clear about what I've considered as part of my decision. This decision focuses solely on the events that took place since esure's response in July 2024, that were complained about and responded to in esure's most recent response of December 2024.

esure's handling of the claim

The relevant rules and industry guidelines say esure has a responsibility to handle claims promptly and fairly and provide appropriate information on their progress. So, I've considered the relevant rules, the policy terms and the available evidence, to decide whether I think esure treated Ms G fairly and reasonably.

In its letter of 26 July 2024, esure told Ms G it had chased the third party insurer for a response on her uninsured losses claim on that day. esure said it'd wait 21 days for a response. Having looked at the claim notes esure has provided, I cannot see that it chased the third party insurer on 26 July 2024 or after the 21 days passed.

I note that esure sent a request for Ms G's uninsured losses to the third party insurer on 28 August 2024 which was about a week after Ms G raised her third complaint. And I can see that no further action was taken on the claim until esure responded to Ms G's complaint in December 2024. I think this amounts to poor claim handling. I'm satisfied that esure caused an avoidable delay of around four months here.

I think esure should pay Ms G compensation to reflect the distress and inconvenience caused to her as a result of the poor claim handling I've identified above. Having considered our awards bands alongside what has happened and the impact on Ms G, I think £250 compensation is reasonable, and in line with what our Service would direct in the circumstances.

This amount takes into consideration the avoidable delays in progressing Ms G's claim and lack of updates about her claim. It also accounts for the prolonged period that passed on the claim, with little or no action being taken on. Because of this, Ms G was forced to continually raise issues with esure about the delays and this caused her a level of distress and inconvenience beyond what we'd expect for a claim of this type. I'm persuaded £250 reflects the distress and inconvenience caused to Ms G because of esure's poor claim handling.

Renewal premium

Ms G is unhappy about the impact of the open claim on the price of her insurance premium. I don't dispute the upset caused to her as a result of being quoted a higher premium than what she'd previously been paying for insurance. However, I'm mindful that recently the cost of insurance has increased dramatically, regardless of any open claims. This is due to several factors, including (but not limited to) the significant increase in repair costs having an impact on the price insurers charge their customers.

For an insurer, there may be many variables it has to consider when setting a premium. It's for the insurer to decide what risks it's prepared to cover and how much weight to attach to those risks and different insurers will apply different factors. That's not to say an insurer offering a higher premium has made an error compared to an insurer offering a cheaper premium. Rather, it reflects the different approach it's decided to take.

Ms G's claim has now been closed. In situations like these, we'd expect esure to recalculate the policy premiums based on the claim being closed and reimburse any differences in the premium. In its letter of June 2024, esure confirmed to Ms G that it had reviewed the premiums for 2023 and 2024 and she was due a refund of £12.34. This was also explained in esure's final response letter of 26 July 2024. I cannot see that Ms G raised any concerns about the refund at the time.

Ms G is also unhappy that esure's advisers didn't tell her over the phone that she could take insurance elsewhere despite her open claim. I think it's regrettable this wasn't made clear to

her over the phone. And I can understand why she'd place more weight to esure's advice over the phone than the renewal paperwork which did make clear she could change insurers. However, I think esure's offer at the time to waive the cancellation fee and only charge for the time on cover if Ms G wished to cancel the policy, was fair and reasonable".

Responses to my provisional decision

I invited both Ms G and esure to respond to my provisional decision. esure accepted my provisional decision. Ms G accepted the £250 compensation I intended to award. She added that she had queried the £12.34 refund in July 2024 as it seemed quite low but esure simply said it was an appropriate refund.

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've also carefully considered the responses to my provisional decision. Having done so, my conclusions remain the same. I'll explain why.

As both parties have accepted the £250 compensation award, I see no reason to reach a different conclusion to the one I reached about esure's handling of Ms G's claim.

On the £12.34 refund, I said in my provisional decision that I couldn't see Ms G had raised any concerns about it at the time because esure had confirmed to Ms G this was the correct amount in its final response of 26 July 2024. Ms G didn't refer this complaint to our Service within the six-month time limit stipulated in the final response. And our Investigator explained to Ms G in her email dated 23 October 2025 that our Service cannot look into her complaint of July 2024 due to this time limit.

My final decision

For the reasons provided I uphold this complaint. I require esure Insurance Limited to pay Ms G £250 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 6 January 2026.

Linda Tare
Ombudsman