

## **The complaint**

Ms S complains that when she made a claim on her motor insurance policy, esure Insurance Limited undervalued her written-off car and provided poor service in general.

## **What happened**

Ms S's car was damaged in a non-fault accident. She thought esure hadn't taken into account all of the car's factory-fitted extras, and she provided adverts in support of her view. esure's final offer to Ms S was £7,242, but she thought the car was worth around £8,000.

Ms S also complained about esure's poor service, including the following:

- The management of her hire car provision and the settlement process
- The policy amendment process for her new car
- Poor communication in general, but particularly around her uninsured losses, the car's disposal and responding to her complaints

One of our Investigators reviewed Ms S's complaint. He thought esure had acted reasonably in valuing the car, but that a deduction it had made for pre-accident damage should be reduced. In terms of the service issues Ms S had raised, he didn't think esure should have charged her £26 to amend the policy. He said its communication could have been better, but he didn't think it should pay Ms S compensation for distress and inconvenience.

As both parties disagreed with the Investigator's view, the complaint was passed to me.

## **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.

There's extensive correspondence on the file, and I've read all of it, but I don't intend to comment on all the points made by the parties. I'll concentrate on what I think are the major issues that need to be addressed.

### *The valuation*

We don't value cars, but we consider whether an insurer has acted reasonably in doing so. The starting point is usually the national trade guides, as the figures set out in them are based on extensive national research. In general if an insurer offers a consumer the top valuation set out in the guides, or close to it, we think that's reasonable.

Generally, we don't find adverts persuasive, as they're based on asking prices and are open to negotiation. In addition, there are often large variations in asking prices for what appear to be similar cars. esure considered the details of three cars with similar mileage to Ms S's car, two of which were advertised at less than its offer, and one (with the lowest mileage) at £7,500. Ms S had provided adverts for seven cars, three with even higher asking prices. One with the most similar mileage to her car was advertised at £6,990, although with fewer

features. The cars' asking prices varied from £10,990 to £6,500, and I don't think there was any consistency between the prices, the mileages and the features of the cars shown.

We checked the figures in the guides, which were £6,610, £6,703, £6,932 and £7,445. esure offered Ms S £7,242 for her car, which is close to the top valuation. Taking into account the figures set out in the guides and the adverts, I think Ms S could have bought a similar replacement car for that sum, so in my opinion, esure's offer was reasonable.

#### *Pre-accident damage*

In terms of the deduction esure made for pre-accident damage, I think the evidence shows a scuff on the bumper which isn't typical of normal wear and tear. So I think it was reasonable for esure to deduct £60 for it. The wheels also show damage. On balance I don't think it was fair for esure to conclude that most of that damage wasn't due to normal wear and tear, over a 14-year period. So in my opinion, it wasn't reasonable for it to deduct £144 from the settlement sum for the wheel damage.

#### *Hire car provision*

Ms S's hire was paid for by esure, with a view to claiming the cost back from the other insurer. I think esure had a duty to mitigate the hire charges, as the other insurer would have objected to paying any more than was reasonable. And although Ms S found it frustrating, it isn't unusual for insurers in general to deal with hire on an ongoing, incremental basis, so the hire isn't wasted. I think that's reasonable. It seems Ms S could have had the hire car from 5 May 2025 to 5 June 2025 in total. It isn't esure's fault that she couldn't collect the car when it was offered, or that she had to return it early, due to other commitments.

#### *Payment of the settlement sum*

Ms S was frustrated to be told she could keep the hire car for seven days after the settlement cheque was issued, only to be told that after issue, it could take seven to 10 working days to arrive. It's standard practice for insurers to allow only seven days additional hire. And I don't think it was wrong for esure to issue the payment by cheque, as it wasn't obliged to offer payment by bank transfer. I'm unsure why it estimated at least seven working days for the cheque's delivery. Presumably that's dependent on the postal service.

esure says the cheque was cashed on 9 June 2025, seven working days after issue. Ms S may not have cashed it immediately on receipt, as she was away for a few days before that date. I don't think she lost out as a result of this issue. The incident was only reported on 3 May 2025, so in my opinion, the claim was progressed quickly and payment was issued promptly, as we'd expect. I can see why the error in deducting the £250 policy excess from the settlement sum caused Ms S further frustration, but it was corrected quickly, and the sum refunded by bank transfer. So I think any inconvenience or loss to Ms S was minimal.

#### *Policy amendment*

In rating the premium for a new car to be added to a policy, insurers have to assess the risk to them of the new car and of the drivers on the policy. As esure's underwriting criteria didn't allow for the risk of a driver with a provisional licence on the new car, I think it was entitled to say the driver had to be removed. Ms S could have cancelled the policy instead, although had she done so, the full premium would have been payable, as she'd made a claim. But I don't think esure made an error or acted unreasonably on this issue - except in charging a £26 fee for the policy amendment, which it has agreed to refund.

#### *Uninsured losses*

esure's advisor made an error in telling Ms S she could only recover the policy excess, but as that error was corrected immediately by another advisor (from esure's recoveries team) I think the impact of it on Ms S was minimal. She was able to claim for all her uninsured losses, which esure then put to the other insurer along with its own costs. As the Investigator pointed out, it can take time for other insurers to pay the sums owed. If esure doesn't take reasonable steps to follow up on the issue, Ms S can make a further complaint about that.

### *Vehicle disposal*

It isn't standard practice for insurers to offer consumers the option of retaining their written-off cars, although some do. If a consumer asks about retention, we'd generally expect an insurer to agree to it, unless there's a sound reason not to do so. But Ms S didn't ask about it. esure didn't have to consult her about the car's disposal, or tell her it was going to auction, as at that point the car was its property, and esure was entitled to deal with it as it saw fit.

### *Poor general communication*

Ms S says esure's communication was poor from the start and she had to chase it for updates. Not only that, but it said in error that it hadn't received her complaints, when in fact they were recorded on its system. That must have been annoying for Ms S. I think esure should have replied to her complaints within the required eight-week period. As it didn't do so, she was entitled to complain to us. We can't address esure's complaints handling in itself, as it isn't a financial activity, so it isn't regulated and reviewable under our rules.

### *Compensation*

Some inconvenience is inevitable following an accident, especially when a claim is made and a car is written off. esure's service wasn't always of a good standard, as it made errors, and Ms S had to chase it when she shouldn't have had to do that. But I think it dealt with the claim reasonably overall and tried to put matters right when mistakes were made.

I know Ms S won't agree with my opinion, and I have no doubt she was upset by many of the complaint issues set out above (including the valuation) and that she feels aggrieved. But I don't think most of the issues she was distressed about were well founded or reflect that esure did anything substantially wrong. And the rest of them were resolved quickly. In my opinion, it wouldn't be fair and reasonable to require esure to pay Ms S compensation for distress and inconvenience.

### **My final decision**

My final decision is that I uphold this complaint in part. I require esure Insurance Limited to do the following:

- Refund £144 to Ms S from the deduction made for pre-accident damage
- Refund £26 to Ms S for the charge for amending the policy, as agreed
- Add interest to the total sum of £170 at the yearly rate of 8%, from the date the deductions / charge were made to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 16 March 2026.

Susan Ewins  
**Ombudsman**