

complaint

Mr S has complained that esure Insurance Limited took too long to deal with a claim he made under his car insurance policy.

background

Mr S bought a car insurance policy with esure. In July 2017 he reported an incident where he said he was hit in the rear by another driver. Mr S gave esure the registration details of the car but as the other driver didn't exchange details at the scene, Mr S wasn't able to provide his name.

In July 2018 Mr S complained to esure as the claim was still open. Mr S was unhappy because his car hadn't been repaired – as he wanted to put the repairs for his car on hold until the third party insurer had admitted liability.

esure accepted that it hadn't been proactive in its handling of the claim. It paid Mr S £150 compensation.

In October 2018 Mr S made a second complaint to esure. Mr S was involved in a second incident. Mr S was unhappy that esure didn't provide him with a 'like for like' vehicle while it considered repairing his car.

esure didn't uphold Mr S's second complaint. It said it had acted reasonably as Mr S's policy said it would provide a small courtesy car – so not a 'like for like' vehicle.

Mr S asked us to look at his complaints.

Our investigator thought esure had dealt with Mr S's second complaint reasonably and in line with the policy. But she thought it hadn't paid enough compensation to reflect its failure to progress the first claim from July 2017. She found there were gaps of several months where esure failed to chase the third party insurer. So she recommended esure pay Mr S a further £200 compensation – bringing the total amount for its handling of the claim to £350.

Mr S accepted the investigator's view. esure didn't agree. It believes the recommendation of a further £200 is excessive.

So the case has been passed to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr S's second claim

I think esure acted reasonably by providing Mr S with a small courtesy car as this was in line with the policy. In any event, esure said it provided an upgraded vehicle for Mr S as a goodwill gesture. So I don't think esure needs to do anymore here.

Mr S's first claim

When liability is in dispute, these cases can take longer to settle. But – esure wrote to the third party insurer on 4 December 2017 and requested details of the other driver under a 'Section 35' of the Data Protection Act in order to progress the case. This was five months after the incident. However, it didn't chase the third party insurer until July 2018 – seven months later. When it did make contact, the third party insurer said it hadn't received esure's letter from December 2017.

Mr S sent esure an estimate for the repairs to his car in September 2017 as it requested. However, in May 2018 when Mr S chased for an update, esure asked him if he still wanted to make a claim. This was eight months after Mr S had sent esure an estimate for the repair costs.

Mr S's caseworker contacted esure in January 2018 and told it about his disability – and asked esure to give his claim priority as the delay was causing him distress and worry. In addition, because the claim was open at renewal stage, Mr S had to pay a higher premium which he says caused him financial strain due to insuring two vehicles.

esure says that if it makes a successful recovery, it will provide a pro rate refund of Mr S's premium with interest at 8% a year. While I think this is fair, I think its decision to provide a refund is what we'd expect an insurer to do once a claim is updated. But because I think esure is responsible for significant delays in handling the claim, I don't think this is enough – with the £150 compensation it's already paid – to resolve Mr S's complaint.

esure said that the total compensation it's paid Mr S is £250. But as the investigator explained, £100 of this was because of its poor handling of Mr S's complaint. So it didn't contribute to the award for esure's handling of the claim.

So I agree with the investigator's recommendation for esure to pay Mr S a further £200 compensation. While there's no guarantee the outcome would have been different, I think esure should have done more to proactively progress this claim.

my final decision

For the reasons I've given above, my final decision is that I uphold this complaint. I require esure Insurance Limited to pay Mr S an additional £200 compensation for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 August 2019.

Geraldine Newbold
ombudsman