

The complaint

Mr A complains about how esure Insurance Limited, trading as esure ("Esure") handled his claim after he was involved in an accident.

What happened

Mr A has a motor insurance policy with esure.

Mr A was involved in a road traffic accident in June 2021 but he first heard about the claim from his new insurer in November 2021.

Mr A says he provided details of the circumstances of the incident to esure. Mr A says he was driving back home, there was a lot of traffic and the road was heavily congested. The driver in front of him was driving at around 5mph when he suddenly stopped. Mr A says he also stopped but there was a minor impact between the front of his car, and the back of the third-party vehicle.

Mr A says he and the third-party driver moved over to the left-hand side of the tunnel to allow traffic flow to continue. Mr A says neither driver was hurt and very little, if any, damage was caused. The third-party said there was damage to his back light but Mr A says it wasn't possible given the nature of the incident. Mr A took some photographs of both vehicles at the scene.

Mr A says he didn't exchange details with the third party since the cars barely touched and there appeared to be no damage to either vehicle. Mr A reported the incident to the police at the time and both drivers went their separate ways.

Mr A received a notice about the claim and told esure he disputed it. He says the impact could have caused the damage being claimed. He emailed esure but didn't receive a response. In December 2021 Mr A received a phone call from a company asking to inspect his vehicle to confirm whether there was any damage consistent with the claim. The inspection took place the following month. Mr A heard nothing further.

In September 2022 Mr A's policy with esure expired and he took out insurance with another provider. The new insurer wrote to Mr A to say he had failed to notify them of the claim from June 2021 and increased his premium by £400.

Mr A contacted esure to understand what had happened with the claim. Mr A wasn't happy that he hadn't been made aware of the claim or kept updated as to the outcome, which left him unaware of how it would affect him. Mr A complained to esure. He wants it to remove the claim from his history and pay him compensation for the cost increase on his current policy.

Esure accepted it hadn't communicated with Mr A as it should have, in particular following the inspection of his vehicle in January 2022. But esure said its lack of communication didn't alter the liability position, esure had received an independent report which stated the

damage of Mr A's vehicle was consistent with the accident circumstances. And in this case it would be unable to settle the claim as non-fault.

Mr A wasn't happy with the response from esure and so he referred his complaint to this service. Our investigator looked into things for him. He said while esure should have been clearer in its communication with Mr A, he was satisfied esure acted fairly by settling the third-party's claim based on the evidence it had. The investigator also said Mr A had admitted to the two vehicles making contact and there was an independent report stating the damage was consistent with the accident circumstances. And so Mr A's complaint wasn't upheld.

Mr A didn't agree. He said he assumed the claim had been rejected due to the lack of damage, and the insurer hadn't told him the claim had settled, which Mr A says it should have.

Because Mr A didn't agree the complaint has come to me 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.

Having done so I've decided not to uphold Mr A's complaint. I'm sorry to disappoint Mr A and I know this isn't the answer he wanted I will explain my decision below.

I want to recognise the impact this complaint has had on Mr A. I've no doubt it would have been upsetting for Mr A to have been involved in a road traffic accident. And I understand why he feels unfairly treated by esure. He feels esure should have kept Mr A updated as to the developments of the claim.

Outcome of the claim

Mr A is unhappy esure didn't inform him as to the outcome of the claim which meant he didn't declare the matter to his current insurer. I've reviewed the information provided by both parties.

Esure accepted it didn't communicate with Mr A as it should have and accepted it didn't advise him of the outcome of the claim. I've thought carefully about what impact this had on Mr A. He says because he wasn't told about the outcome he didn't tell his new insurer about it. But Mr A was aware of the claim since he had been notified about it, and his car had been inspected to assess the level of damage. So whilst I agree esure should have told Mr A the claim had been settled Mr A was aware of the claim, and when taking out his new policy is likely to have been asked about previous claims and incidents. And at that stage it would be your responsibility to notify the insurer of anything that may impact the new policy.

Claim and increased premium

Mr A says esure didn't consult him before accepting the claim. But esure doesn't have to. On page 21 of the terms of the policy, under section 5 'claims procedure' it says, "*we have full discretion in the settlement of your claim or any legal proceedings which may arise and we may take over, defend or settle the claim.*" So I can't say esure has done anything wrong in dealing with the claim without consulting Mr A.

Esure has explained that since Mr A admits to touching the third-party vehicle and the fact the independent report says the damage to the vehicle is consistent with the incident details

it would be difficult to defend a claim from the third party. I don't think esure acted unreasonably here since it relied on the evidence before it in order to come to that conclusion.

Mr A isn't happy his insurance premium has increased following the accident. But I can't say this is esure's fault. Since it's likely his premium would have increased regardless of whether he declared the accident at the outset or after the event, as has happened here. Any claim recorded as fault is likely to impact the cost of any subsequent insurance policy. And since esure has been unable to recover its costs from the third party the incident is correctly recorded as a fault claim.

I understand Mr A is very unhappy with this matter. And that is understandable given what's happened.

I know my answer will be disappointing for Mr A. But overall I think esure has acted fairly and reasonably in line with the policy terms and conditions. It has accepted its communication fell short of what it would expect and apologised for this. And so I won't be asking it to do anything further.

My final decision

For the reasons given above 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 A to accept or reject my decision before 28 July 2023.

Kiran Clair
Ombudsman