

## **The complaint**

Miss P complains about how esure Insurance Limited (“esure”) handled and assessed her car’s value following a claim under her motor insurance policy.

## **What happened**

Miss P had a motor insurance policy with esure covering her car.

She was involved in a collision with a lorry that was registered overseas. She made a claim from esure.

esure assessed her car as being beyond economic repair. It said it would declare the car a write-off.

Miss P says esure initially offered her about £600 for her car. She wasn’t happy about this valuation and complained. It increased its valuation to £1,616. Miss P had additional costs to pay because she couldn’t replace her car.

Miss P also complained about esure’s communications with her and the delay in handling her claim. Liability for the collision wasn’t decided and Miss P wants the matter closed.

Esure paid her £100 as a gesture of goodwill.

Miss P remained unhappy and brought her complaint to this service. Our investigator looked into it and thought it would be upheld. He said he thought esure should pay Miss P a vehicle value of £2,074, plus interest at 8% simple. He also thought its service had been poor and it should pay a total of £400 compensation.

Miss P accepted the view, but esure didn’t. Because it didn’t agree, this complaint has been passed to me to make a final decision.

## **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’m upholding Miss P’s complaint and I’ll explain why.

Incidents like the one involving Miss P can be very complex to handle. The third-party vehicle involved was registered overseas, and what this typically means is that several months is often added to the time period to settle the claim. This is because esure would need to work to track down who the third party was, locate the foreign insurer and then start to investigate their version of the incident before recoveries can then be made.

That said, esure mention in its final response that its initial handling of her claim wasn’t very good. It said there were several weeks when Miss P wasn’t told about what was happening.

I can see from its timeline that this lack of communication was continuing during summer

2023, which was about a year since the collision took place. Esure apologised for its lack of pro-active contact and paid her £100 as a gesture of goodwill.

But I can see there's been several months during which esure doesn't seem to have progressed Miss P's claim or progressed it. Miss P has told this service about the extra costs she's had as she needed to pay friends and family for petrol to get to and from work. She's had to pay her excess, which esure said may be refundable depending on the outcome of the claim. But as the claim hasn't been actively progressed by esure, this outcome is far from certain.

I don't think this is good service by esure. Even after Miss P complained and her claim was escalated, esure still hasn't updated her. I can see from her evidence that she's found the experience stressful and inconvenient and this has continued over an extended time due to esure's lack of pro-active case management. I think an appropriate level of compensation would be £400, including the £100 Miss P has already accepted.

It's important I say I'm not able to tell esure to settle Miss P's claim. This is because esure has the right to decide how this happens. This is common in the insurance marketplace and it's a fair approach. When it does settle the claim, if esure's able to recover its costs, Miss P may be able to recover her excess and possibly retain her No Claims Discount. But as I say above, I'm not able to tell esure what to do about this.

I can see Miss P accepted the car valuation proposed by our investigator. The approach of this service is to use trade guides to arrive at a valuation for the vehicle. I've looked into these trade guides and I can see the following values:

Trade Guide A £1,430

Trade Guide B £2,074

Trade Guide C £1,945

Trade Guide D £1,223

It's the approach of this service that the highest value from the trade guides is used as the market value for Miss P's claim. I've not seen evidence from esure about why it thinks this value is incorrect. I can see Miss P has accepted it, so, I think esure need to settle her claim at a market value of £2,074, subject to the remaining policy terms and conditions.

Because of the time that's passed since the collision and claim, I also think esure need to add interest at 8% simple on this increased amount from the date it made the initial payment, to the date payment is made.

### **My final decision**

My final decision is that I uphold this complaint. I direct esure Insurance Limited to:

- Pay Miss P a total of £400 for her distress and inconvenience. I'm aware £100 has already been paid, so this can be deducted.
- Settle Miss P's claim at a market value of £2,074 subject to the remaining terms and conditions. Interest at 8% simple should be added to the increased amount esure needs to pay over what it's already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept

or reject my decision before 15 January 2024.

Richard Sowden  
**Ombudsman**