

The complaint

Mrs M complains that esure Insurance Limited declined her claim on her motor insurance policy following an accident. She wants it to pay her claim and associated costs.

What happened

Mrs M's car was damaged in an accident whilst abroad. esure declined her claim as it said she hadn't bought the required extra add-on for comprehensive cover for foreign travel. But Mrs M said her online account showed that she was covered. And she said she hadn't received her policy booklet. She said if she'd known that she wasn't fully covered for travel abroad, then she would have paid for it. Mrs M was also unhappy that she had long call wait times. esure offered her £50 compensation for this.

Our Investigator didn't recommend that the complaint should be upheld. He thought the online portal and the policy booklet made it clear that the policy only provided for third party cover whilst abroad unless extra was paid for comprehensive cover and a "Green Card". He thought Mrs M had received her policy booklet. And he thought esure's compensation for the call wait times was fair and reasonable.

Mrs M replied asking for an Ombudsman's review. She said the summary screen of her online account wasn't clear, and she hadn't received the current year's policy booklet.

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 can understand that Mrs M feels frustrated that her claim was declined. Fortunately, her family wasn't injured in the accident. But she now has to bear the costs of recovering and repairing her car, and the costs of alternative transport whilst this was done.

As Mrs M knows, her insurer has a responsibility to provide "clear, fair and not misleading information" to policyholders. So, like the Investigator, I've looked at the information esure provided Mrs M when she bought her policy.

Mrs M provided a screenshot of her online account which provides a summary of what's covered. This includes, amongst other items, "European Travel Cover, Yes". But next to this is an "i" for further information. When this is hovered over, it states that the cover is third party only. So I'm satisfied that this was sufficiently clear and not mis-leading on the summary screen.

I think this is a common term and condition in motor insurance policies, and I don't find it unusual or unreasonable. But it is significant, and I would expect it to be set out in the policy wording and in the summary document.

Mrs M said she didn't receive her current policy booklet which would have provided her with further information about her cover whilst abroad.

But I can see that her online account was active. And esure has provided a screenshot of the documents it sent to the account when the policy renewed. These included the policy booklet as well as other documents.

The Insurance Product Information Document (IPID) explains under “Where am I covered?”

“Comprehensive cover: In the UK, the Isle of Man and the Channel Islands, and during sea journeys between these islands

Minimum cover required by law (usually equivalent to Third Party only cover) within any country which is a member of the European Union...”

The policy schedule states:

“Cover is only in force if: - The car... is being driven in the UK, the Isle of Man or the Channel Islands...”

The policy booklet on page 18, under Section 6 “Territorial limits and use abroad” states:

“The cover under Sections 1 - 5 of your policy operates in the UK, the Isle of Man and the Channel Islands and during sea journeys between these constituent parts.

You also have the minimum cover you need by law to use your car in:

- *any country which is a member of the European Union...*

This may provide less cover than you have in the UK and is usually equivalent to the third party only cover available in the UK with no cover for damage to your car.

You don’t need a Green Card to drive abroad within the countries above. Your Certificate of Insurance includes international cover for a maximum of 90 days in a single period of cover on a third party basis only.”

The policy booklet then explains that a further premium is needed for an extension of the policy for European travel and to provide a Green Card (international motor insurance certificate) for 90 days in the policy year.

Mrs M was also provided with policy booklets in previous years and hadn’t taken out a Green Card. So I’m satisfied that Mrs M was provided with sufficient information about her policy to ensure that it met her needs.

I think the information was clear, fair and wasn’t misleading. So I’m satisfied that Mrs M wasn’t treated unfairly when esure declined her claim as she had only third party cover whilst abroad.

esure paid Mrs M £50 compensation for her long call waits. I’m satisfied that this was fair and reasonable as it’s in keeping with our published guidance when some inconvenience has been caused. I don’t require esure 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 Mrs M to accept or reject my decision before 21 August 2023.

Phillip Berechree
Ombudsman