

The complaint

Mrs W complains that esure Insurance Limited mishandled her motor insurance policy.

What happened

Mrs W had a car, first registered in 2020. She insured it with esure for the year from early May 2023. The cost of the insurance was about £320.00.

Later, Mrs W ordered a replacement car brand-new. She was to collect it on 31 July 2023. From about 25 July 2023, Mrs W contacted esure trying to change the vehicle on the policy.

According to DVLA, it issued a registration document V5C for the new car on 26 July 2023.

On 29 and 30 July 2023, Mrs W spent time on live chat and on the phone with esure. That was unsuccessful because esure couldn't find details of her new car or offer cover.

On about 30 July 2023, esure offered a refund of premium and compensation of £35.00.

Mrs W cancelled the esure policy and received a pro-rata refund of about £240.00 (from the yearly cost of about £320.00). Mrs W took out a new policy with another provider.

Mrs W complained, though us, to esure that it should've been able to cover her new car on the existing policy. Instead, she'd been left with only one day to find alternative insurance, that was more expensive. She asked us to direct esure to cover the full cost of her new policy (of over £500.00) and to compensate her for her time and stress.

By a final response dated late September 2023, esure said that it had made a refund of premium and waived any cancellation fee. It apologised and offered additional compensation of £40.00, making a total of £75.00.

Mrs W asked us to investigate.

our investigator's opinion

Our investigator didn't recommend that the complaint should be upheld. She thought that esure did everything they could to locate Mrs W's new vehicle. The investigator thought that esure's final response was fair in the circumstances.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mrs W and to esure on 8 March 2024. I summarise my findings:

esure didn't handle Mrs W's enquiry as efficiently as it should've.

I didn't I under-estimate the time and effort that Mrs W incurred. However, I considered that only a small part of that was caused by the unfair acts or omissions I'd identified.

Subject to any further information either from Mrs W or from esure, my provisional decision was that I upheld this complaint in part. I intended to direct esure Insurance Limited to pay Mrs W, insofar as it hasn't already paid her, £150.00 for distress and inconvenience.

Mrs W said she had nothing to add in response to the provisional decision. esure hasn't responded to the provisional decision. So I see no reason to change my view.

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've read all the available transcripts of the live chats between Mrs W and esure. From what I've seen, I find it likely that there were one or two additional chats of which esure hasn't provided a transcript. It's possible that there were also telephone calls for which esure hasn't provided recordings.

Keeping in mind the details of the complaint, I'm satisfied that I've seen enough evidence to reach a fair and reasonable outcome. I don't consider it proportionate to investigate further, with further delay.

Mrs W said that her new car was the first of its specification in the UK.

Mrs W had an expectation that esure would cover her new car on her existing policy. That would probably involve an additional premium to cover the period from 31 July 2023 to early May 2024 when the policy was due for renewal.

However, each insurer is free to decide what vehicles it will cover and at what cost. There was no certainty that esure would agree to cover the new car and no certainty that esure would quote a cost that was acceptable to Mrs W.

The transcripts show that Mrs W had already used one or more comparison websites. They had been able to trace her new vehicle and obtain quotes for a new policy for the year from 31 July 2023.

The transcripts show that esure couldn't trace Mrs W's car by its registration number or find details of its specification. Mrs W was frustrated that esure's system wasn't up to date.

However I can't say that esure was obliged to quote at all to cover Mrs W's new car. I can't say that it was obliged to quote immediately to cover a new specification of car. I accept that esure wasn't able to quote for Mrs W's new car.

Also I can't say that esure should've quoted a more favourable cost (compared on an annualised basis) than other providers. That includes the new policy that Mrs W took out at a cost, she says, of over £500.00. So, whilst I understand that Mrs W had little time to arrange insurance for her new car, I don't consider that esure caused her any additional cost.

In any event, I don't agree with Mrs W's view that it would be fair for esure to reimburse her the cost of over £500.00 for a year's cover on her new car. I consider it fair that she should pay the premium for her new car, in particular for the period after early May 2024 when esure's policy would've expired.

Nevertheless, I consider that the transcripts show that esure didn't handle Mrs W's enquiry as efficiently as it should've. That caused Mrs W repetition, wasted time and frustration.

One of the transcripts shows that Mrs W said she was unhappy that a named agent had terminated a previous live chat (for which esure hasn't provided a transcript). So I accept that esure terminated that chat unfairly.

Also, one of the transcripts shows that esure suggested that it would quote for a car of the same model but a different specification. I can understand that Mrs W was taken aback by that and immediately concerned about what might happen if she made a claim. When she questioned the suggestion, the agent ended the chat abruptly, and unfairly in my view. However, the suggestion came to nothing.

Where we find an insurer responsible for an unfair act or omission, we look at its impact on the complainant consumer and we assess compensation at a level to reflect that impact. We don't assess compensation at a level intended to punish or deter unfair acts or omissions, or to reflect what the impact might've been in other circumstances.

I don't under-estimate the time and effort that Mrs W incurred. However, I consider that only a small part of that was caused by the unfair acts or omissions I've identified.

I don't find it fair to give esure credit for making a pro-rata refund of the premium that Mrs W had pre-paid for the period between 31 July 2023 and early May 2024. That was what I would expect esure to do. I also consider that it was fair that esure waived a cancellation fee.

Putting things right

I don't consider that esure's payment of £35.00 did anything to make things better. However, its final response offer of a further £40.00 was fairer.

Overall, I conclude that a total of £150.00 is fair and reasonable. So I will direct esure to pay Mrs W, insofar as it hasn't already paid her, £150.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct esure Insurance Limited to pay Mrs W, insofar as it hasn't already paid her, £150.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 23 April 2024.

Christopher Gilbert
Ombudsman