

The complaint

Miss F complains about how esure Insurance Limited (“esure”) provided service and valued her car when she made a claim under her motor insurance policy.

What happened

Miss F had a motor insurance policy with esure covering her car. It was stolen in mid-November 2022 and recovered by the police about three weeks later. She made a claim from esure.

esure assessed the car as being beyond economical repair and declared it a write-off. It offered her £34,494 less her excess. It also said it would pay Miss F £500 for her loss of use of the car, and a further £350 compensation for her distress and inconvenience.

Miss F didn’t agree and brought her complaint to this service. She complains about esure’s service, delays to the process and a lack of empathy.

Our investigator looked into Miss F’s complaint and thought it would be upheld. They asked esure for evidence about how it’d calculated the car’s value but nothing was supplied. So the investigator used this service’s approach of trade guides to arrive at a valuation of £36,764. The investigator thought the £500 for loss of use of the car and £350 compensation were both fair and reasonable.

Miss F didn’t agree with the amounts awarded for loss of use and compensation, and esure didn’t agree with the car’s valuation.

Because they didn’t agree, this complaint has been passed to me for 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.

When the car was being recovered to one of esure’s approved repairers, further damage was caused to it by the recovery company. It’s my understanding that this damage is the subject of a further complaint by Miss F to esure, so it doesn’t form part of this complaint.

Valuation

This service doesn’t provide valuations for vehicles, but looks to whether the insurer’s offer is reasonable.

Our usual approach is to use trade guides to establish whether an offer is fair.

esure told this service it had used the average of four different trade guide values:

Company A £33,530,

Company B £33,561

Company C £37,800

Company D £33,084

I've done some research into the car and I've found these values for the month her car was stolen, which are based on a vehicle with the same specification and mileage:

Company A £33,540

Company B £33,500

Company C £39,208

Company D £40,808

Although the amount offered by esure is in the range of values in the trade guides, it's at the lower end. I've not seen evidence that the car was in a worse condition than average, so I'm not persuaded that esure's use of that value is valid. I think a better technique would be to use the average of the four trade guides to arrive at a result.

Miss F has also supplied evidence of cars with higher values. She's sent adverts for similar cars. We don't find adverts persuasive as they don't necessarily represent the actual price a car was sold for and I can see that the adverts may vary in specification from Miss F's car, which has an impact on their market value.

After looking at the evidence carefully, I think £36,764 is a fair market value for Miss F's car.

Service

I've looked at esure's claim file about what went on in Miss F's claim. I can see that it upheld her complaints about its service. esure mistakenly set up two claims, when there should only have been one, because her car had collided with some third-party vehicles after it had been stolen. I can see this has now been corrected.

Her car was taken to repairers who rejected it. Miss F then asked for it to be recovered to a garage approved by the manufacturer and it was ultimately damaged by the transportation company which had delayed the transportation process by a further two weeks. She experienced long wait times on the phone, and not being mobile over the Christmas period.

I've said above esure offered Miss F £350 for its poor service and £500 loss of use, which is calculated according to this service's guidelines at £10 per day from the date of loss to the date Miss F's claim was settled.

I've thought carefully about the amounts offered to Miss F and this services guidelines. I can see the theft of her car distressed Miss F, but it seems to me that the inconvenience for her particularly over the festive period has been considerable. The delays in esure's claims process meant she was without a car for an extended time. This service recommends a payment of £10 per day when this happens, and I can see esure has agreed to this for 50 days. I think its offer is fair and reasonable.

esure has also offered Miss F £350 for her distress and inconvenience. I think Miss F's distress has been significant but took place over a period of time of less than two months. So because esure has also agreed to pay her for loss of use, I think its offer of £350

compensation for Miss F's distress and inconvenience is fair.

My final decision

My final decision is that I uphold this complaint. I direct esure Insurance Limited to settle Miss F's claim at a market value of £36,764 subject to the terms and conditions of the policy.

esure should also pay Miss F £350 for her distress and inconvenience and £500 for the loss of use of her car.

esure Insurance Limited must pay the amount within 28 days of the date on which we tell it Miss F accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 14 November 2023.

Richard Sowden
Ombudsman