

## **The complaint**

Mr K has complained about the service he received from esure Insurance Limited when he claimed under his motor policy after his car was damaged as a result of vandalism.

## **What happened**

Mr K's car and house front were damaged by vandalism on 29 April 2023. He reported the car damage to esure on 2 May 2023. Following receipt of photographs from Mr K, esure said on 4 May 2023 that his car would be uneconomical to repair and so would be a total loss.

Mr K indicated that he didn't want esure to take his car to the salvage yard unless he knew the valuation from esure's engineer. By 11 May 2023 Mr K told esure he would like more regular updates. Esure's engineer confirmed there were backlogs with vehicle valuations on 17 May. Esure gave him a valuation on 24 May which Mr K didn't accept as fair. Esure said it would be reviewed and Mr K chased several times, and he received a final valuation on 9 June 2023. Mr K accepted this.

However, Mr K said he wanted compensation as he lost out on two months' road tax and the costs of his breakdown cover. He also thought the cost of his premium should be returned. He felt very aggrieved the process took so long.

After Mr K brought his complaint to us, esure then issued its final response letter. It said it had been a very busy time for its claims department and it was working hard to improve its processing times. It agreed compensation was appropriate and sent Mr K a cheque for £150.

Mr K didn't think this was sufficient when the investigator asked him for his thoughts on it before he investigated his complaint. He said he was out of pocket by £60 for road tax and £49.77 for road breakdown service which he could have cancelled in the cooling off period but for esure's delays. He also said the call handlers told him he may get a refund on the premium he paid as the incident happened only a few weeks into the policy. Esure was prepared to offer a further £50 compensation making the total compensation £200. Mr K didn't think this was enough and asked the investigator to now investigate his complaint.

The investigator was of the view that the total compensation of £200 was adequate and fair in the circumstances.

Mr K didn't agree so his complaint was passed 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 don't consider esure needs to do anything more beyond its compensation offer of £200 compensation. I'll now explain why.

First, I understand and appreciate this vandalism attack on both Mr K's car and the front of his house must have been quite an ordeal and very unpleasant for him and his family.

It's clear there is no dispute that Mr K's car was uneconomical to repair from the damage caused by the vandalism and that Mr K and esure came to an agreement over the market valuation of his car. The substance of Mr K's complaint is the time it took for this to be agreed and what Mr K considers to be the associated costs of that delay. It is clear from esure's file that it told Mr K his car would be a total loss as early as 4 May 2023 on receipt of his images of the damage to his car. The delay was solely down to esure providing any actual valuation of his car. I consider this is key.

So, dealing first with Mr K's thoughts that his premium ought to be refunded, I consider esure was correct in stating this couldn't happen. I also haven't seen any evidence in esure's file that any of its operatives said Mr K might be entitled to such a premium refund.

In law and indeed as set out in esure's policy, it's a condition of insurance that once an insured event takes place and the claim is paid, the full premium and indeed any excess is payable by the policyholder. An insured event did happen here as Mr K's car was deemed a total loss from the vandalism and the market value of Mr K's car was paid to Mr K by esure. Therefore, the full year's premium plus the excess is properly deemed payable by Mr K. The policy terms clearly detail this as follows:

*'We will not refund your premium if you have made a claim or you have been involved in an incident, in this situation we will cancel your policy, but your full annual premium will remain due plus the fee esure charges, if you pay by credit instalments, you must still pay the balance of the full annual premium.'*

Mr K has also said he lost out on road tax given the delay by esure in sorting out the market value of his car. I've considered this carefully and can see from esure's file that Mr K said he applied for it on the day he received the market value from esure. Esure thought Mr K should have instead used the date of the vandalism. I've looked at the rules on this and the refund is only calculated from the date the application for the refund is received by the relevant authority in situations like this of an insurer deeming a car to be a total loss. So, I can understand why Mr K thinks he's been out of pocket as I don't believe it matters what the date of the loss is in this way as esure thinks.

However, although it's clear esure had something of a backlog of vehicle valuations and did admit it could have done better, I do think taking everything in the round the compensation of £200 covers this, as esure did tell Mr K on receipt of his images of the damage to the car on 4 May 2023 that it would be a total loss. The delay in real terms involved the amount of the market value, given Mr K didn't want esure to take his car to the salvage yard before he knew what esure considered was its market value. So, it remains clear to me that esure did come to a quick decision on whether his car was repairable or not. And I'm of the view the compensation payment covers this loss for Mr K adequately and reasonably.

I consider the same principles apply to the issue of the road breakdown cover Mr K had bought or renewed for his car shortly before it was vandalised. Mr K was aware the car was deemed a total loss by esure on receipt of his images of the damage to his car, which was on 4 May 2023. So, I consider it could well have been possible to suspend this cover with the provider until he was in a position to transfer the cover to another car. There are no further details of this cover before me to enable me to make any further definitive findings on the matter.

Lastly, I consider Mr K was entitled to some compensation given it was almost six weeks between his notification of his claim to the date the market value was agreed. And more

importantly esure admitted it had vehicle valuation delays. Compensation payments are for the distress and upset caused to a policyholder in Mr K's position rather than a fine against the insurer for being tardy. The amount esure has now offered Mr K is in line with our approach on compensation. And it's in line with awards of compensation I have made previously in other similar circumstances. Therefore, I consider £200 compensation to be appropriate, fair, and reasonable in Mr K's circumstances.

### **My final decision**

Esure Insurance Limited has already offered Mr K a total sum of £200 compensation, and for the reasons above, I consider this is fair and reasonable.

Therefore, esure Insurance Limited should now ensure Mr K receives a total sum of £200 compensation, bearing in mind it said in its final response letter it was sending him £150 and agreed subsequently to pay another £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 February 2024.

Rona Doyle  
**Ombudsman**