

## **The complaint**

Mr T complains about how esure Insurance Limited (“esure”) handled a claim on his car insurance policy.

## **What happened**

Mr T had a motor insurance policy with esure covering his car.

In December 2022 a third-party collided with him and he made a claim. His claim was recorded by esure as a ‘non-fault’.

Later, he insured another car. When he did this, he found out that this claim hadn’t been settled. It was reported on an external database used by insurers as being ‘open’.

This meant Mr T had to pay a higher premium than he was expecting to pay because the ‘open’ nature of the claim meant it would be held as his fault until such time as esure was able to recover its costs from the third party.

Mr T was unhappy and complained. esure upheld part of his complaint about its communication during his claim and awarded him £100 compensation. It said it wasn’t able to close his claim because it hadn’t completed its recoveries and there was an open injury claim for Mr T. But Mr T said he hadn’t claimed for any injury.

He remained unhappy and brought his complaint to this service. He asks that esure closes the open claim and apologises to him.

Our investigator looked into it. She asked esure for its claims file but esure didn’t respond apart from to ask for an extension and then it didn’t respond further.

Our investigator thought Mr T’s complaint would be upheld. She said she didn’t have evidence to say whether esure had progressed his claim well, but she said Mr T should be able to approach his new insurers once the claim was closed and he had proof of its status. This might mean Mr T was able to recover some of the extra premiums he’s been paying.

esure didn’t respond to the view. Because it didn’t respond, 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.

Having done so, I’m upholding Mr T’s complaint in part and I’ll explain why.

It’s important that Mr T understands why esure hasn’t changed the status of his claim to ‘closed’. esure has the right to deal with claim as it wishes and the ability to do this is found in the policy wording. This is common in the insurance marketplace and its use is fair here. As esure still hasn’t responded to this service’s requests for its file I’m not able to determine

whether its actions have been fair and reasonable during Mr T's claim. But I am able to assess the impact of its service on Mr T.

In order to close this claim, esure need to be able to complete its recoveries from the third party who crashed into Mr T. This can be a lengthy process and it may ultimately be passed to solicitors at a certain point if esure isn't able to obtain its money.

I'm not able to tell Mr T how long this should take as it will depend on the complexity of the case, the situation of the third party, and esure's actions to date (which I've not been able to assess).

Until then, the claim will stay open on his records and will be held at some level of 'fault' for him. Again, this is common in the marketplace.

The impact on Mr T is that other insurers, such as the one he's now insured with, will underwrite him according to the fact that he has a 'fault' claim open against him. Even though he wasn't responsible for the collision.

What that means is that Mr T will likely be paying an additional premium due to the way these claims are reported on an external database. It's important I say that it's likely Mr T is paying a slightly higher premium due to the fact he's made a claim at all, regardless of fault. But the impact of a 'fault' claim is likely greater than a 'non-fault'.

I can see that his current insurer has written to him and has said it will be able to reconsider the premium he's paid once Mr T is able to show it that his claim was closed on a non-fault basis.

So because it's esure's choice about how to handle this claim, I'm not able to ask it to close his claim as he wishes. That said, I hope esure now move his claim speedily towards its conclusion and its final resolution means that Mr T is able to recover some of the extra premiums he's paid.

But it's clear to me that Mr T has found the claims experience with esure inconvenient and somewhat distressing. Its lack of correspondence with him or providing him with meaningful updates means he's been paying additional premiums without a clear understanding of the situation. It seems to me that his new insurer has been significantly better in that regard. I've thought about Mr T's distress and inconvenience, and I think esure should pay him a total of £200 compensation, which includes the £100 it's already paid.

### **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint in part. I direct esure Insurance Limited to pay Mr T a total of £200 for his distress and inconvenience. It's my understanding that £100 has already been paid, so this can be deducted.

esure Insurance Limited must pay the amount within 28 days of the date on which we tell it Mr T 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 Mr T to accept or reject my decision before 10 January 2024.

Richard Sowden  
**Ombudsman**