

The complaint

Ms R complained that esure Insurance Limited, trading as Sheila's Wheels, delayed in reclaiming costs from the third party after she'd had an accident. This meant that the claim was still recorded as open on the CUE database when she had to renew her insurance – which Ms R feels led to her being charged a much higher premium.

What happened

In autumn 2022, Ms R's car was hit by another. So she made a claim on her motor insurance policy for the damage that had been caused. Esure deemed Ms R's car a total loss and made her a cash settlement. Ms R raised concerns about customer service during this process. Esure upheld her complaints and made two payments of compensation totalling £100 for this.

Ms R replaced her car. Her policy came up for renewal about four months later. She was shocked to find her premium was about five times higher than it had been the previous year. When she asked the reason for this, she was told it was because the Claims and Underwriting Exchange (CUE) database showed the claim was still open.

Ms R was unhappy because esure hadn't pursued the third party for their costs and felt that this was why she had to pay a much higher premium. She complained to esure. In response, esure explained the claim was still open on CUE because they were trying to recover what they'd paid out from the third party. They said CUE would be updated when that process was complete and Ms R's insurer could review her premium at that time.

Ms R wasn't satisfied with esure's response and brought her complaint to our service. She was unhappy that esure hadn't contacted the third party's insurers until around the time her renewal was due and said that esure hadn't complied with their obligation to deal with claims promptly and fairly.

Our investigator considered the complaint and concluded esure didn't need to do any more to resolve it. She accepted esure could have tried to recover their outlay earlier than they did. But she noted that, by the time she delivered her view of the complaint, esure still hadn't made any recovery from the third party. So she concluded that, even if they'd acted sooner it wasn't likely the CUE entries would have been different at Ms R's renewal date.

With Ms R's authority, the investigator spoke to her current insurer, who confirmed they could recalculate the premium once the claim was closed and would issue any refund they calculated was due.

Ms R didn't agree with our investigator's view. So I've been asked to make a 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 that, I'm not upholding Ms R's complaint. I'll explain why.

I note Ms R's initial complaints were addressed and she was paid £100 compensation. Her complaint to us has focused on what occurred after that. So that's what my decision deals with.

I understand why Ms R's frustrated. Her car was written off in an accident in autumn 2022 and esure paid her claim. It's clear why she thought the matter was resolved, and why it was a shock to find the claim was still open on CUE's database several months after that. But I can only say esure should do more to resolve her complaint if I'm satisfied they did something wrong – and that error had a negative impact on Ms R.

I've considered the information available. That shows esure inputted the details of their outlay into an industry database at the time of the claim. But they didn't follow that up with the third party insurer until February.

It's obvious esure couldn't have submitted a claim to the third party immediately they were notified of the claim. They first needed to assess the car, calculate its value, and settle. But I agree with our investigator they could have followed up with the third party insurer some weeks earlier than they did.

But I'm not persuaded that doing this would have meant Ms R was in a different position at the point she renewed her policy. She's made her own enquiries and established esure were reimbursed by the third party insurer 21½ weeks after they contacted them in February 2023. There's no evidence to show there was any delay in the reimbursement after February.

So I think it's most likely recovery would have taken this long whenever it was requested. That means the claim would still have been recorded as open when Ms R had to renew her policy - and her premium would have reflected this.

I'm pleased to note esure have now recovered their outlay from the third party. They've confirmed this is now recorded on CUE, so Ms R can seek a refund from her current insurer of any proportion of her premium attributable to the open claim. But I don't think esure need to do anything further to resolve her complaint.

My final decision

For the reasons I've explained, I'm not upholding Ms R's complaint about esure Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 10 November 2023.

Helen Stacey
Ombudsman