

## **The complaint**

Mr C complains that esure Insurance Limited kept a claim on his motor insurance policy open and this led to an increase in his premium at renewal. He wants compensation for this and for his trouble and upset. Mr C is represented in this matter by Mrs H.

## **What happened**

Mr C reported an accident with another driver to esure. Liability was disputed by the other driver's insurer and so esure kept the claim open and recorded it as a "fault". This meant that Mr C's premium increased at renewal, and he was unhappy with this. Mrs H said esure had told her that the costs hadn't been requested from the other insurer in a timely manner.

Our Investigator didn't recommend that the complaint should be upheld. He thought esure had reasonably kept the claim open until liability was agreed and it recovered all its outlay. He thought it had reasonably progressed the claim. And so he thought the renewal premium based on the fault claim was correct. After Mr C's complaint came to us, as a gesture of goodwill esure allowed his No Claims Bonus (NCB). And the Investigator thought the new renewal premium was based on this. So he didn't think esure needed to do anything further.

Mr C replied that esure hadn't approached the other driver's insurer for payment until after he complained, six months after the accident. He thought he had been treated unfairly.

## **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 can understand that Mr C felt frustrated that his premium at renewal increased by 80% following a non-fault accident where the other driver's employer accepted liability.

When Mr C reported the accident to esure, it warned him that it may take between four and six months to resolve the claim. To do this, the other driver's insurer would need to accept liability and pay esure for its losses. And esure would have to receive an invoice for Mr C's repairs and any other outlay to present to the other insurer.

In the meantime, and in keeping with standard industry practice, esure recorded the open claim as "fault" and so Mr C's premium increased at renewal. Mr C told us that esure had said this would reduce when it had recovered its outlay.

I've looked at how esure progressed the claim and whether it caused any avoidable delays. I think it progressed Mr C's repairs reasonably and Mr C hasn't complained to us about this.

But I can see that it took some time for esure to receive an invoice for the repairs to Mr C's car. I think it needed this before it could present its costs to the other driver's insurer. And I can't reasonably hold esure responsible for this delay.

But the other driver's insurer still disputed liability and I can't see that this has yet been settled. So I can't say that if esure had received the repairs invoice sooner that this would have changed the situation. And I can't reasonably hold esure responsible for the other insurer's actions. But esure has told Mr C that it's confident that it will recover its outlay and

it's already treated the claim as if it was non-fault, as a gesture of goodwill. So I think this was a fair and reasonable response to Mr C's complaint.

Mr C's premium with the claim changed to non-fault did reduce, as esure had promised, but it didn't return to its previous amount. This is because while some insurers will only rate on NCB disallowed or "fault" claims, others will consider any claim – or even just a claim notification – as a "risk factor". This is because insurers say that drivers who have been involved in incidents, regardless of fault, are more likely to be involved in future claims.

I can understand that Mr C may find this to be illogical. But being involved in an incident could be linked to such things as his use of higher risk roads or junctions or driving at particular times.

It's not our role to tell an insurer how to price their policies or what factors they should consider when calculating a risk. However we need to make sure the insurer is applying a fair and consistent approach to all consumers.

esure's decision to rate on all claims, regardless of fault, is its commercial decision. This doesn't break any relevant regulations and it's in keeping with standard industry practice. And I can't see that esure has treated Mr C differently to any of its other customers. And so, as this isn't something that I would normally interfere with as it is a legitimate exercise of its commercial judgement, I don't require esure to refund any premium to Mr C.

Mr C said that he had to pay his increased premium by monthly instalments and so now he had to pay interest on the premium. He wanted this refunded. I can understand this caused Mr C financial pressure. But I can't reasonably hold esure responsible for his financial circumstances. And so I don't require esure to refund this interest.

### **My final decision**

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 2 October 2023.

Phillip Berechree  
**Ombudsman**