

The complaint

Mr W has complained that esure Insurance Limited unfairly cancelled his car insurance policy.

What happened

Mr W bought a car insurance policy with esure in September 2022. Between September 2022 and February 2023 Mr W paid a deposit and a monthly instalment.

During the time he held the policy with esure, Mr W had asked for the payment date to be changed, which esure agreed to a couple of times. However, after agreeing to extend the date on the final occasion, esure cancelled Mr W's policy in February 2023 due to non-payment of the premium.

Mr W complained to esure. It upheld his complaint and offered to reinstate the policy - but due to the amount outstanding it asked Mr W to pay the full amount due. Mr W didn't agree to do this and bought a policy elsewhere. esure agreed to waive the balance Mr W owed on cancellation - which he would have otherwise had to pay for the time esure provided cover.

Mr W remained unhappy and asked us to look at his complaint. Our Investigator agreed that esure had cancelled the policy unfairly when it had agreed to postpone the collection date of a premium. But he found that esure's resolution to the complaint was reasonable. And so he didn't recommend esure should do any more.

Mr W didn't agree. He says he was given incorrect information by esure and it caused him further inconvenience and financial difficulty in having to arrange another policy.

So the case has been 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.

There's no dispute that esure cancelled Mr W's policy in error. When things go wrong, we look at what the impact was and what an insurer did to put things right.

Mr W was provided with insurance cover for the duration of the policy - so even if a claim wasn't made, esure provided indemnity for Mr W while the policy was in force. This means that Mr W owes the premium for the period of cover under the policy.

esure offered to reinstate Mr W's policy, but asked that he pay the premium in full. I can't say that this was an unreasonable offer in light of the fact that from September 2022 to February 2023 Mr W paid a deposit of £257.79 followed by one instalment of £136.12. Mr W therefore owed a balance of £232.42 when esure cancelled his policy. But esure apologised for its error and waived this amount to resolve Mr W's complaint for cancelling his policy.

esure failed to change the collection date when it said it would, which led to the cancellation of Mr W's policy. I've no doubt this caused Mr W upset and inconvenience in arranging to a replacement policy. So for the error I would have awarded a compensation amount for the

distress and inconvenience caused, had esure not offered anything to resolve Mr W's complaint.

However, as I've explained, Mr W correctly owed a balance of £232.42 - but esure has waived this to resolve his complaint. In my view, this is a fair outcome and is more than the amount of compensation I would have awarded for the distress and inconvenience esure caused Mr W by its error. So I'm not asking esure to do any more. I think esure has done enough to put things right.

My final decision

For the reasons I've 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 W to accept or reject my decision before 4 October 2023.

Geraldine Newbold
Ombudsman