

The complaint

Mr G complains that esure Insurance Limited mishandled his claim on his motor insurance policy.

Where I refer to esure, I refer to the above-named insurance company and I include employees, salvage agents and others insofar as I hold esure responsible for their acts or omissions.

What happened

The subject matter of the claim and the complaint is a sports utility vehicle, first registered in 2014.

For the year from late June 2021, M G had the vehicle insured on a comprehensive policy with esure.

In mid-November 2021, Mr G's vehicle had a recorded mileage of about 110,000. It was parked near a motorcycle that caught fire and damaged it. During Mr G's first call, esure said his vehicle would be written off or a total loss. So esure collected Mr G's vehicle and didn't provide a courtesy car.

By late November or early December 2021, esure began to review whether the vehicle might be repairable. Mr G complained to esure about delay and poor communication.

By a final response dated mid-January 2022, esure accepted the complaint in part. It said that, whilst it was correct that no courtesy car is provided if the car is a potential total loss, there had been unnecessary delays in reaching this decision. So it said it was sending Mr G £175.00. It said the repair was ongoing and it had provided a courtesy car.

Mr G brought his complaint to us without delay.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. She thought that esure hadn't acted fairly. She said that it didn't feel fair that Mr G didn't receive a courtesy car sooner. She recommended that esure should:

1. credit Mr G with (in addition to the £175.00) an additional £75.00 taking the total compensation to £250.00; and
2. cover reasonable travel expenses between the date that the claim was registered and Mr G receiving the courtesy car (upon receiving valid verifiable receipts / invoices).

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr G and to esure on 24 October 2022. I summarise my findings:

In response to the investigator's opinion, Mr G had provided taxi receipts. These are for about 41 days at £80.00 per day travel to work and back in the period 17 November 2021 to 9 January 2022. But that is over £3,000.00, which Mr G says he paid in cash. I wasn't satisfied that Mr G did enough to minimise his outlay.

esure had offered £640.00.

Subject to any further information from Mr G or from esure, my provisional decision was that I upheld this complaint in part. I intended to direct esure Insurance Limited to pay Mr G (in addition to the £175.00 it has already paid) a further £640.00 for loss of use of his vehicle.

Neither Mr G nor esure has responded to the provisional decision. So I see no reason to change my view.

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.

The policy schedule said that Mr G had cover to drive his vehicle for social domestic and pleasure purposes including commuting to a place of work. His wife was a named driver. The policy schedule said that there were two vehicles in the household and Mr G had access to another vehicle.

The Insurance Policy Information Document included the following:

"What is insured?

...

Provide and cover a courtesy car in event of a claim while your car is being repaired by one of our recommended repairers (usually a group A car...)

...

What is not insured?

...

A courtesy car if your car is stolen or we decide that your car is a total loss."

In Mr G's case, esure considered his vehicle was a total loss. But by early December esure hadn't paid him the pre-fire value of his vehicle – and said it might be repairable.

By mid-January, esure said the vehicle was being repaired and it had provided a courtesy car. Mr G says he had been without a vehicle for 55 days. That period hasn't been challenged by esure.

In my view, esure didn't treat Mr G fairly by deciding at the outset that his vehicle was a total loss. Its later review concluded that the vehicle was repairable. So I consider that esure treated Mr G unfairly by its delay in providing a courtesy car.

In response to the investigator's opinion, Mr G provided taxi receipts. These are for about 41 days at £80.00 per day travel to work and back in the period 17 November 2021 to 9 January 2022.

But that is over £3,000.00, which Mr G says he paid in cash. I'm not satisfied that Mr G did enough to minimise his outlay. And – in the absence of better evidence - we would often

find it fair to apply a rate of £10.00 per day for loss of use of a vehicle.

I find that esure's unfair treatment of Mr G caused him inconvenience and upset. He was left without a vehicle and he had to chase esure to find out what was happening.

But esure paid £175.00 to try to put right the impact on Mr G of its delay and shortcomings in its communication. I'm satisfied that £175.00 was fair and reasonable compensation for this.

Putting things right

Overall I find it fair and reasonable to direct esure to pay Mr G (in addition to the £175.00 it has already paid) a further £640.00 for loss of use of his vehicle.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct esure Insurance Limited to pay Mr G (in addition to the £175.00 it has already paid) a further £640.00 for loss of use of his vehicle.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 December 2022.

Christopher Gilbert

Ombudsman