

The complaint

Mr J complains that esure Insurance Limited delayed closing a claim made on his motor insurance policy and this caused him trouble and expense. Mr J wants esure to close the claim.

What happened

Mr J made a claim on his policy in 2021. esure paid the claim in January 2022, but the claim is still showing as open and esure's outlay unrecovered. Mr J said this was causing increases in his premiums for subsequent insurance.

Our Investigator recommended that the complaint should be upheld. She saw that esure had issued proceedings against the other driver's insurer to recover its outlay. But these had been put on hold and the claim closed whilst Mr J pursued a personal injury claim. She thought esure should not have put the recovery on hold. Mr J later withdrew his personal injury claim, but esure didn't reopen the recovery for seven months. She thought this had led to an avoidable delay in closing the claim and esure should pay Mr J £750 compensation for the trouble and upset caused by the delays.

esure replied that it didn't disagree with the Investigator's view. But it thought the recommended compensation was excessive. It thought compensation between £300 to £400 was fair and reasonable. So, as esure didn't agree, the complaint has come to me for 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.

I can understand that Mr J feels frustrated that his claim remains open after more than two years. He said this has affected the price of his motor insurance as the open claim is recorded as a fault.

I can see that there was a delay when esure put Mr J's claim on hold when it said it didn't want to prejudice his personal injury claim. And then there was a delay of seven months after Mr J withdrew his personal injury claim until esure reopened his claim. And then there was further delay of at least three months whilst esure sought a car hire invoice for recovery.

When a business makes a mistake, as esure now accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

esure has now reopened the claim and is treating it as a priority in order to recover its outlay. It will then be able to close the claim. So I think that reasonably restores Mr J's position. If he thinks there are further avoidable delays, then Mr J should complain again.

I can see that Mr J has been caused considerable trouble and upset for over a year. He has pressed esure repeatedly for updates and action to close the claim. He has sent multiple emails and spent long periods on hold waiting to speak to esure. His insurance premiums have been affected by the open claim on his record causing him financial loss. And Mr J has

been caused significant frustration and stress over a long period. This could have been avoided but for esure's delays.

Our Investigator recommended that esure should pay Mr J £750 compensation for this trouble and upset. Our published guidance states that an award of up to around £750 might be fair where the impact of a business's mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months. I think this applies in Mr J's case as I've described above. And so I think £750 compensation is fair and reasonable.

Putting things right

I require esure Insurance Limited to pay Mr J £750 compensation for the distress and inconvenience caused by its level of service and delays in his claim.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require esure Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 10 April 2024.

Phillip Berechree
Ombudsman