

## **The complaint**

Miss A complains that esure Insurance Limited have provided poor service when dealing with her claim. There were long delays, a lack of communication, they sold the salvage when she wanted to buy it back and they didn't pay the settlement agreed.

## **What happened**

In December 2022 Miss A's car was damaged in an accident.

In January 2023 esure offered Miss A a settlement for total loss. Miss A raised a dispute with esure about the valuation, but also made them aware that she wanted to buy the salvage as the car had sentimental value.

In March 2023 esure increased their offer but also told her that unfortunately, the salvage had already been sold in January. Miss A raised a further complaint about the sale of the salvage but agreed the increased valuation of £2400.

In May 2023 esure issued their final response in which they accepted that they had sold the salvage and paid Miss A £250 compensation for the distress caused. They accepted that there was poor service.

However, although esure issued their complaint response, they overlooked making payment of the agreed settlement. Miss A had to borrow money to replace the car and complained about the failure to pay the settlement. She also complained that esure had discriminated against her and provided poor service.

One of our investigators has looked into Miss A's complaint and he thought that esure should pay the valuation of £2400 that had been agreed, plus 8% interest from the date the figure was communicated until the date of settlement. He also thought Esure should pay an extra £300 for distress and inconvenience, bringing the total compensation to £550, but he didn't uphold the complaint of discrimination.

I understand that esure eventually made the settlement payment in May 2024.

Miss A didn't agree with our investigator's view, and so the case has come to me to review.

## **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'm upholding this complaint on the same terms as the investigator recommended, and I'll explain why.

## **The sale of the salvage**

Esure have accepted that Miss A had expressed a desire to keep the car during her call with them in December, but unfortunately the agents didn't contact their salvage agents to make them aware the salvage was to be retained, and it was sold at the end of January 2023.

At the time, Miss A was trying to negotiate an increase in the valuation of her car, and it wasn't until after a settlement figure was agreed on 9 March 2023 that they told her the car had been scrapped several weeks before.

This has caused Miss A significant distress and inconvenience because she wanted to retain the car for sentimental reasons, and she believed she was negotiating on this only to find that the car had already gone. She feels esure had kept her in the dark and not provided the right information when she asked for it.

Esure accept this error and have offered £250 for distress and inconvenience caused by this in their final response letter dated 11 May 2023. So I've thought about whether this figure is fair, and I think that on balance it is. Although I appreciate how much Miss A wanted to keep the car, esure have admitted their mistake as soon as they realised, apologised, and made this offer of compensation shortly after. There was nothing that could be done to get the car back, and so whilst I appreciate it was distressing, the situation couldn't be remedied and the offer seems fair.

### **Customer Service, failure to make the settlement payment, and discrimination**

Esure have accepted that they have provided poor customer service to Miss A, but Miss A thinks that it is wider than this and they have discriminated against her. I have listened to the calls that Miss A made to esure in which she feels she was treated unfairly, and I have also considered the claim notes. I think that the service provided was poor, and I can understand why Miss A felt that she was being treated unfairly. I don't think that esure fully understood the impact of its' actions on Miss A and were unsympathetic to the position they placed her in, but I can't say I've seen evidence that their actions were discriminatory.

In addition to the general poor service there is the delay in the settlement being paid. Esure have accepted that this was an oversight on their part, and following our investigator's view, I understand that the payment has been made and esure have provided evidence of a payment of £2406.18 being made on 24 May 2024. This would appear to be minus the excess, but with the 8% interest that was recommended added.

Taking into account everything I have said above and thinking about the impact of esure's actions had given that Miss A says that she already suffers with health issues I think the recommended additional £300 compensation for distress and inconvenience, bringing the total compensation to £550 fairly reflects the poor service over the period in question.

### **Putting things right**

To put things right, I agree with the investigator that in order to put things right esure should:

- Pay the settlement of £2400
- Pay 8% interest on the settlement of the car from the date it was agreed - 9 March 2023 until the date it was paid on 24 May 2024.
- Pay Miss A further £300 for distress and inconvenience.

I appreciate that some of the recommended payments have already been made, so esure only need to pay the outstanding amounts from the above.

**My final decision**

I am upholding Miss A's complaint against esure Insurance Limited and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 5 August 2024.

Joanne Ward  
**Ombudsman**