

## **The complaint**

X complained that esure Insurance Limited (“esure”) unfairly cancelled her policy and she was disappointed with the level of customer service she received from it whilst providing her with her motor insurance.

## **What happened**

X received an email informing her that there was a problem with her payment going through for the auto renewal of her policy. The letter informed X she needed to contact esure to arrange payment otherwise her policy would be cancelled.

Only a few minutes later X received a further email from esure informing her the policy had been successfully renewed. Following this communication, X assumed the issues had been resolved and her policy was active.

Whilst X was abroad, she received an email from esure telling her policy had been cancelled. X contacted esure whilst she was still abroad as she needed her car to get home from the airport on her return. esure explained the payment wasn’t processed. As the policy had been cancelled it couldn’t re-instate it. So, in desperation X took out a different policy with a different insurer, which cost her £88.19 more.

X made a complaint. She was unhappy on receiving a letter saying that esure had contacted her and she had accepted the outcome of the complaint. X said she didn’t speak to anyone.

X is unhappy with how her complaint hasn’t been dealt with properly. Although, during the investigation, esure said to move things forward it was willing to refund the additional premiums that X paid.

Our investigator decided to uphold the complaint. He thought it was correct that esure had agreed to refund the premiums but thought the level of service dropped below an acceptable standard, so he awarded £150 compensation for distress and communication. X didn’t agree, so the case has been referred to an ombudsman.

## **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 pleased esure has decided to refund the additional premium X paid to secure her new motor policy. I think this was the right thing to do given the circumstances she was presented with. This way X didn’t suffer a financial loss. I’d also expect esure to pay 8% simple interest per annum on this as X has been without the money.

X is extremely disappointed she was put in this situation and she doesn’t think esure has made any efforts to apologise to her. Therefore, I’ve considered the timeline of events to assess whether X should be awarded some compensation.

I think there are a few things esure got wrong. It communicated poorly with X at the time of the renewal. I think X was reasonable to think her insurance had been set up given the second email she received. So, esure by later cancelling her policy has caused X inconvenience and unneeded stress whilst she was in a foreign country.

esure are experts at providing insurance contracts, they should be getting the basics right. I haven't seen any evidence from esure that has made me think X's testimony was incorrect in anyway. I have no reason to doubt X wouldn't have paid her premium if she knew there was an issue. As soon as her policy was cancelled, X took positive action.

Whilst I appreciate esure couldn't reinstate the policy, it should've helped X find alternative cover. Esure should have apologised, and it should have offered other cover at no additional charge. It's clear X's complaint was closed without anyone speaking to her. No evidence has been provided to show otherwise. Again, X didn't receive any apology.

I think the levels of customer service have been low. I think X has been inconvenienced and I think she would have been frustrated and distressed by what happened. As esure caused this, I award £150 in compensation. I uphold this complaint.

### **My final decision**

My final decision is that I uphold this complaint. I require esure Insurance Limited to:

- Reimburse the additional premium costs (£88.19) if it hasn't already done so, plus 8% simple interest per annum (from the time X paid the additional premium to the time she was reimbursed it).
- Pay £150 compensation – for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 24 October 2024.

Pete Averill  
**Ombudsman**