

## The complaint

Mr S complains that esure Insurance Limited (esure) increased his premium at renewal unfairly due to a delay in it closing a non-fault claim, under his motor insurance policy.

## What happened

Mr S says he paid £102 a month for his insurance with esure. But at renewal this increased by around £30. He called esure and was told this is because a claim was still open. Mr S says this claim had been settled seven months earlier. He says the call handler told him a discount had now been applied. But this didn't reduce the premium. Mr S didn't think this made sense. He would like his premium to be reduced or compensation offered for the time he's spent dealing with this matter.

esure acknowledged Mr S's complaint. But it didn't provide a response to his concerns. He didn't think he'd been treated fairly and referred the matter to our service. Our investigator upheld his complaint. She says esure hasn't provided information to show it calculated Mr S's premium fairly. She thought the information it provided about the discount was confusing and esure hadn't explained why this hadn't reduced the premium.

Our investigator says that given the increase in price, and the lack of explanation for this, she can't be sure that esure has treated Mr S fairly. She says it should pay him £200 compensation for the distress and inconvenience it caused him.

Mr S agreed with our investigator's findings. esure didn't respond. As an agreement wasn't reached the complaint has been passed to me to decide.

I issued a provisional decision in June 2024 explaining that I was intending to partially uphold Mr S's complaint. Here's what I said:

### *provisional findings*

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Having done so my intention is to uphold Mr S's complaint in part. Let me explain.*

*The Financial Conduct Authority (FCA) doesn't regulate on the price insurance companies charge for the cover they provide, or the criteria they use when calculating premiums. This means our service isn't able to consider this. That said we still expect esure to treat its customers fairly. This means I can consider whether esure followed its established underwriting criteria and treated Mr S the same as any other customer would be in these same circumstances.*

*I asked esure to demonstrate that it had followed its established underwriting criteria when calculating Mr S's renewal premium. I also asked for an explanation regarding the discount Mr S was told about. More specifically an explanation of what impact this had on his premium.*

*esure responded to say that it could find no evidence from its records that a discount was offered to Mr S. It says the renewal schedule it provided shows the renewal was offered on the basis of the claim being “non-fault – recovery made”. This means esure was able to recover its costs from the third-party, which is why the claim was recorded as non-fault. If it had been unable to recover its costs this would be recorded as Mr S being at least partly at-fault for the accident he was involved in. I think esure has shown this was recorded correctly.*

*I acknowledge esure says there is no record of a discount being applied or discussed. However, the notes it provided are very limited. Mr S is very clear that he was told there was an error, and a claim was left open when it should’ve been closed. He says he was then told a discount had been applied, but that this didn’t affect his premium.*

*I have no reason to disbelieve Mr S’s testimony. Based on what I’ve read I think the information provided by esure’s agents over the phone was likely to have been unclear and has caused confusion. I agree with Mr S that this represents poor service. It caused him to doubt that esure had calculated his renewal premium correctly and caused him inconvenience when he then tried to clarify this point. I think it’s reasonable that esure compensates Mr S for the poor service it provided here.*

*In response to my request about its premium calculations, esure provided information from its underwriting team. This information is considered commercially sensitive so I can’t share it. But it explains that the claim against Mr S’s policy was a factor that impacted on his renewal premium. The other main factor was a general market rate increase that esure says it has applied across its business. It says this is reflective of general market increases.*

*Based on the information I’ve seen I don’t think esure treated Mr S any differently to its other customers at his renewal. The cost of insurance has gone up in recent times, as a result of inflation and other factors. As discussed it’s not our role to tell esure what it should charge. But based on the evidence I’m satisfied it’s shown the reasons why Mr S’s premium increased at renewal. This was determined by its established underwriting criteria. So, I don’t think it treated him unfairly in this respect.*

*Having considered all of this I don’t think esure treated Mr S fairly when he queried the price increase at renewal. It’s reasonable that it compensates him with £100 for the frustration and inconvenience its poor standard of service caused. But I don’t think it treated him unfairly when calculating his renewal premium. So, I won’t ask it to do anymore with regards to this aspect of Mr S’s complaint.*

I said I was intending to uphold this complaint in part and esure should pay Mr S £100 compensation.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

esure responded to say it accepted my findings.

Mr S responded to say he was happy with my provisional decision, but he thought £200 was a fairer compensation payment.

### **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 acknowledge what Mr S says. But he hasn't provided any compelling evidence or comments that persuades me to change the level of compensation.

As neither party has made further submissions of note, or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

### **My final decision**

My final decision is that I uphold this complaint in part. esure Insurance Limited should:

- pay Mr S £100 compensation for the frustration and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 August 2024.

Mike Waldron  
**Ombudsman**