

The complaint

Mr D is unhappy esure Insurance Limited (esure) have reported an accident against his motor insurance policy.

What happened

In December 2022 a named driver on Mr D's policy was unfortunately involved in an accident involving a third party vehicle. esure settled the third party claim and decreased Mr D's no claims discount (NCD). Mr D was unhappy with this as he said he was told by esure when he added the named driver to the policy, any accident the named driver had wouldn't impact him.

esure considered Mr D's complaint and upheld it. It apologised if it told Mr D his NCD wouldn't be affected by a named driver having an accident and acknowledged this accident had an impact on Mr D's premium. esure said it had reinstated Mr D's NCD and offered £100 compensation as an apology. Mr D didn't think this was reasonable and so referred his complaint to this Service.

Our investigator didn't uphold Mr D's complaint. She said she thought the incident had been correctly recorded on the Claims Underwriting Exchange (CUE). She said she thought there wasn't a dispute Mr D had been incorrectly advised when he added the named driver to the policy. She also thought esure had failed to reinstate Mr D's NCD when offering him renewal, but was satisfied the renewal price was in line with general increases in premium. She said she thought £100 compensation and Mr D's NCD being reinstated was reasonable to acknowledge the distress and inconvenience Mr D was caused.

Mr D didn't agree with our investigator. He said he was given the incorrect information by esure and the claim being on his policy was impacting the price of the policies he was being offered.

As Mr D didn't agree with our investigator, the complaint has been passed to me to decide.

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 want to acknowledge I have summarised Mr D's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead I have focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr D and esure I have read and considered everything that's been provided. I have addressed the key points individually.

Mr D's NCD

The named driver Mr D added to his policy unfortunately had an accident in which esure were unable to recover its costs. Esure have reported the accident on CUE.

CUE is a database most insurers use to update any claims or incidents a customer reports. Insurers who use CUE have a duty to make accurate records. esure have provided evidence of how it has recorded the accident on CUE and I'm satisfied the details of the accident have been recorded accurately with the named driver showing as being driving at the time of the accident and Mr D's NCD as disallowed.

Mr D has said when he added the named driver to his policy he specifically asked how the named driver having an accident would impact him. I've listened to the call Mr D had with esure when he added a named driver to his policy. During this call he provides the details of the named driver and accepts the price esure quoted to make this change. He then asks esure if the named driver had an accident whether this would impact his NCD. He was told this would go against the named driver because the claim would be in the named driver's name and not Mr D's.

The information Mr D was provided by esure wasn't correct. Mr D was the policyholder and so any accidents in which esure were unable to recover its costs would be an accident recorded against Mr D's policy and his NCD would be impacted unless it was protected. This would be the case even if it was a named driver who was driving at the time of the accident. I've therefore considered what impact this misinformation had on Mr D.

Mr D would have been distressed to learn his NCD had been reduced as a result of the accident when he had previously been told it wouldn't. He also spent a good amount of time trying to resolve this issue which caused Mr D unnecessary inconvenience. esure have reinstated Mr D's NCD which I think is reasonable. This places Mr D back in the position he believed he would be in following his call with esure.

I understand Mr D would like the accident removed from CUE, however this isn't something I can tell esure to do. As explained esure have a duty to record accurate information on CUE and there is no dispute the named driver had an accident whilst insured under Mr D's policy.

Mr D's renewal

esure sent Mr D his renewal notice but hadn't reinstated Mr D's NCD as it said it would. This meant the premium Mr D was being quoted was higher than it should have been. It would have been distressing for Mr D to receive an incorrect quote to renew his policy. However I haven't seen any evidence Mr D was caused financial detriment as a result of this. Mr D didn't renew his policy with esure but instead purchased a new policy which correctly listed Mr D's reinstated NCD.

Putting things Right

Mr D has been caused distress and inconvenience by being given the incorrect information about how his NCD may be impacted, and being sent an incorrect renewal quote. However I think esure reinstating Mr D's NCD, along with £100 compensation is reasonable to compensate Mr D for the distress and inconvenience he was caused, and the time he has spent trying to resolve this issue.

I appreciate Mr D has said the accident is impacting the premium he is now being charged. However I've not seen evidence Mr D's premium is being impacted due to the accident being recorded. And as I've already explained, esure have fairly recorded the details of the accident on CUE and so I can't say any subsequent impact this has on Mr D's premium going forward is due to an error by esure.

My final decision

For the reasons I've outlined above I don't uphold Mr D's complaint about esure Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 17 December 2024.

Andrew Clarke
Ombudsman