

The complaint

Miss Q complains about the quality of repairs to her vehicle following an accident under her motor insurance policy, held with esure Insurance Limited ('esure').

In referring to esure, I include their agents and representatives.

What happened

In October 2021 Miss Q's vehicle was involved in an accident, causing damage to the nearside rear of the car, including the rear quarter panel and rear bumper. Miss Q contacted esure to notify them of the accident. esure arranged for the vehicle to be repaired by one of their approved repairers (K).

However, when the vehicle was returned from K after the repairs were carried out, Miss Q wasn't happy with the quality of the work carried out in several areas, with missing or misaligned panels and concerns over the quality of paintwork. Following Miss Q's concerns, the vehicle was returned to K for rectification work. But when the vehicle was returned, Miss Q still wasn't happy with the quality of the work carried out, so raised her concerns with esure. They arranged for an independent engineer (B) to inspect the vehicle. B's report found several issues with the quality of the repairs and recommended further rectification work (estimated to cost £316.80).

Miss Q wasn't happy with B's report, believing it hadn't properly considered the issues she'd raised. Concerned about the integrity of her vehicle, she commissioned a report from a separate repairer (L) to assess the rectification work needed to bring the vehicle back to its pre-accident condition and address her concerns. L's report detailed rectification work which was estimated (including labour costs and replacement paint and parts) at £8,058.78. Miss Q paid £90 for the report.

Miss Q provided a copy of L's report to esure, who in turn appointed a second engineer (D) to re-inspect the vehicle. In their report, D challenged the need for some of the work in L's report, concluding it wasn't necessary (such as replacing the rear bumper rather than repairing it). D estimated the total cost of rectification work at £2,178.91.

Miss Q wasn't happy with the findings in D's report, so complained to esure. Given the issues with the repair work carried out by K, she wasn't happy they carry out any further rectification work. She wanted esure to pay a cash settlement based on L's estimate.

In their final response esure said their normal approach when a customer wasn't happy with the quality of repairs was for the repairer to rectify the issues (as the repairs came with a lifetime guarantee). But given Miss Q's concerns about K, esure understood why she would prefer rectification by her own repairer (L). esure offered Miss Q three options to resolve the matter: allow K to rectify the vehicle in line with the rectification work in D's report; or for L to provide a revised estimate based on D's report; or a cash settlement based on the estimate in D's report. esure also apologised that rectification work was necessary and offered £100 as a goodwill gesture.

Miss Q then complained to this service. The main element of her complaint was she'd been left with a faulty repaired vehicle which she didn't feel assured about its safety and integrity. She wanted a cash settlement for the estimate in L's report (and the £90 she'd paid for the report) so she could have her vehicle repaired properly.

Our investigator upheld Miss Q's complaint, concluding esure hadn't acted fairly. She noted the assessment of the work needed to rectify the faulty repairs changed significantly between B and D's reports. She also noted esure thought L's estimate unreasonable and included elements that weren't necessary. But the investigator understood why Miss Q was reluctant for K to carry out rectification work, given her concerns at the quality of their work. To put things right, the investigator thought the vehicle should be inspected by a main dealer for the make involved and provide an estimate of the cost of rectification work required. That estimate could be compared to the estimate from L, to assess its reasonableness. She also thought esure should reimburse Miss Q the £90 she'd paid for L's report and pay her £200 compensation for distress and inconvenience.

Miss Q responded to raise concerns about the proposed further estimate from a main dealer, saying there wasn't one near to her. She engaged L because they were closer and carried repairs on behalf of main dealers.

esure disagreed with the investigator's view and requested an ombudsman review the complaint. They thought L's estimate inflated and having a main dealer inspect the vehicle and provide a quote wasn't the same as an independent engineer (D) having inspected the vehicle.

In my findings, I thought a reasonable approach to settling the claim would be for either:

- The rectification work be carried out by the main dealer supplying the further estimate of the work required and cost (if esure are prepared to agree the estimate, and Miss Q agrees); or
- esure make a cash settlement based on the average of the estimates from D and from the main dealer (either if: esure aren't willing to approve any estimate from a main dealer or Miss Q not wish for the main dealer to carry out the rectification work; or esure or Miss Q choose to make/accept a cash settlement).

I also thought it reasonable for esure to reimburse Miss Q for the cost of L's estimate (£90) and pay £200 for distress and inconvenience.

Because I reached different conclusions to those of our investigator on the approach to settling the claim I issued a provisional decision to give both parties the opportunity to consider matters further. This is set out below.

What I've provisionally decided – and why

My role here is to decide whether esure have acted reasonably towards Miss Q. The central issue in Miss Q's complaint is that her vehicle hasn't been repaired to an acceptable standard by esure's repairer. She has concerns about the integrity of her vehicle and isn't prepared (given the issues that have arisen) for K to carry out any further rectification work. She also has concerns about whether the rectification work set out in D's report is sufficient to address her concerns. And the estimate in the report isn't sufficient to enable her to have the vehicle repaired to what she believes to be an acceptable standard. She wants esure to settle the matter by a cash settlement based on the estimate of rectification work set out in L's report.

For their part, esure say they've acted fairly (and in line with the terms and conditions of the policy) in offering Miss Q the option of having K carry out rectification work (though they acknowledge she isn't prepared to accept that option). Or having L prepare a revised estimate based on the scope of rectification work in D's report. Or, a cash settlement based on D's estimate. Esure also say the estimate in L's report is unreasonable (if not excessive) and includes the cost of work which isn't necessary (or related to the accident).

Looking at what's happened and the sequence of events, what's not in dispute is that the repairs initially carried out by K (and their subsequent initial rectification) haven't led to the vehicle repairs being to an acceptable standard. This is clear from both L's report and estimate, as well as (in particular) the second reinspection carried out by D. So, the key issue for me to consider is what would be a fair and reasonable outcome for Miss Q, to enable further rectification that returns her vehicle to an acceptable standard.

In considering this point, I've first looked at the options available, with reference to what the policy provides for in these circumstances. As part of their consideration of Miss Q's complaint, esure referred to the policy terms and conditions, particularly those relating to the settlement of claims and where a policyholder wishes to use a non-approved repairer. On the first point, esure refer to the policy terms on settling claims, under the heading What is covered the policy states:

"All loss and damage to your car...We will:

- pay to repair the damage; or*
- replace what's been lost or damaged if it's more cost effective than repairing it; or*
- pay to settle your claim."*

esure also refer to the statement under a heading Things you need to know which says:

"We'll decide which method we use to settle your claim."

On the issue of the use of non-approved repairers, esure refer to the following policy extract under the heading Using a non recommended repairer:

- You'll need to send us a detailed estimate from your choice of repairer and details of the incident as soon as possible.*
- We'll only be liable for the repair costs once we have agreed on the estimate.*
- We'll only pay for reasonable and necessary repairs and we reserve the right to say no to an estimate."*

I think these terms make it clear esure can reject an estimate from a non-approved repairer if they don't think it's for reasonable and necessary repairs. Looking at D's comments on the estimate provided by L, it's clear they don't think the estimate is reasonable and includes work they think is unnecessary (and not related to the accident or the subsequent repair by K). They also think the costs are unreasonable (to the point of being inflated).

I've considered these points carefully, but on balance I agree esure have acted in line with the policy terms and conditions in rejecting L's estimate. While it's not for me to assess the technical merits of the differing views of D and L about the rectification work required on Miss Q's vehicle, I've noted the two estimates are significantly different (£2,178.91 from D and £8,058.78 from L). Both use the same labour hourly rate, but differ significantly in the number of hours required, as well as the cost of paint and parts. It's also clear from D's report that they disagree with L's estimate in a number of respects (for example, the need to

replace the rear quarter panel and bumper, rather than repair them). On balance, I'm persuaded esure have acted reasonably in declining to accept L's estimate.

I've also noted L's estimate is a significant proportion of the vehicle's market value (D's report includes a valuation of £11,000 as at the date of the accident using information from a recognised industry valuation guide). As the work required is rectification of the repairs initially carried out, I don't think it's reasonable for esure to make a cash settlement based on L's estimate – particularly given the valuation of the vehicle.

As I've mentioned, it isn't for me to assess the technical merits of the reports (estimates) provided by D and L. Because of the significant difference between the two estimates, our investigator recommended a further estimate of the cost of rectification be obtained from a main dealer for the make of vehicle involved. I've considered the points made by both Miss Q and esure in responding to our investigator's view. I recognise Miss Q's point about a main dealer not being nearby for her, but as the purpose of an estimate would be to obtain a reference point estimate to compare to those of D and L, I think it's reasonable. For the same reasons I don't agree with esure's view that having a main dealer inspect the vehicle and provide a quote isn't the same as an independent engineer (D) inspect the vehicle. I'd expect a main dealer to be familiar with the make and model of the vehicle and to provide a reasonable assessment of the rectification work required (and an estimate of the cost).

Based on this, I think a reasonable approach to settling the claim would be for either:

- The rectification work be carried out by the main dealer supplying the further estimate of the work required and cost (if esure are prepared to agree the estimate, and Miss Q agrees); or*
- esure make a cash settlement based on the average of the estimates from D and from the main dealer (either if: esure aren't willing to approve any estimate from a main dealer or Miss Q not wish for the main dealer to carry out the rectification work; or esure or Miss Q choose to make/accept a cash settlement).*

While I think this is a fair approach in the circumstances, I also think it would be reasonable for esure to reimburse Miss Q for the cost of L's estimate (£90) as it wasn't unreasonable for her to want an estimate from a repairer other than K and D.

I've also considered the issue of compensation for the distress and inconvenience the episode has caused Miss Q. esure offered her £100 as a goodwill gesture by way of an apology for the repairs needing rectification. Our investigator thought £200 would be fair. Taking account of the circumstances of the case, I think £200 would be reasonable.

My provisional decision

For the reasons set out above, it's my provisional decision to uphold Miss Q's complaint. I intend to require esure Insurance Limited to:

- Settle the claim by either:
 - o having the rectification work be carried out by the main dealer supplying the further estimate of the work required and cost (if esure are prepared to agree the estimate, and Miss Q agrees); or*
 - o making a cash settlement based on the average of the estimates from D and from the main dealer (either if: esure aren't willing to approve any estimate from a main dealer or Miss Q not wish for the main dealer to carry out the rectification work; or esure or Miss Q choose to make/accept a cash settlement).**
- Reimburse Miss Q for the cost of L's estimate (£90).*

- Pay Miss Q £200 in compensation for distress and inconvenience.

esure Insurance Limited must pay the compensation within 28 days of the date on which we tell them Miss Q accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Miss Q responded to make several points. On the detail in the provisional decision, she said that while two firms of engineers were involved, D had acquired B between the two inspections. But the individual engineer was the same for both inspections. On her wanting a cash settlement from esure, she said she'd told esure she would be prepared to accept a cash settlement as stipulated in the report from L, as she didn't think esure had provided her with an acceptable option to restore her vehicle to its condition prior to the accident.

Miss Q also raised a point about the reference in the provisional decision to D's comments on the estimate provided by L (that they didn't think the estimate was reasonable and includes work they think is unnecessary (and not related to the accident or the subsequent repair by K)). Miss Q thought this referred to her vehicle having undergone a prior repair – something she rejected.

Miss Q also noted (referring to the policy terms and conditions about the choice of repairer) it was esure's choice to use their approved repairer (K). It was the unsatisfactory quality of repairs from K that had led to the situation and to the need to have another repairer carry out rectification work. As such, Miss Q questioned whether the policy wording related to repair work for the original accident – as opposed to the situation with her vehicle (the unsatisfactory quality of repairs carried out following the accident).

On the provisional decision's proposals for settling the claim, Miss Q had no objection to having rectification work carried out by a main dealer – but said esure had to date refused to accept an estimate from a main dealer. She wanted to know where this left her, and whether she would be reimbursed for any estimate from a main dealer.

On the option for a cash settlement based on the average of the estimates from D and a main dealer, she didn't think it would be sufficient to restore her vehicle to its condition prior to the accident. Which meant she'd have to pay an additional amount. So, that option wasn't acceptable to her.

But she was prepared to accept reimbursement for the cost of L's estimate (£90) and the proposed £200 compensation for distress and inconvenience.

esure didn't respond to the provisional decision by the date requested.

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.

My role here is to decide whether esure have acted fairly towards Miss Q.

I've considered the points made by Miss Q. Some of them are points of detail about the wording of the provisional decision (that the same engineer provided the reports for B and D) while others are reaffirming points she's previously and which I considered when coming to my provisional view (her wanting a cash settlement as stipulated in L's report and her rejecting the suggestion her vehicle had undergone a previous repair).

On the point about whether the policy wording related to repair work for the original accident – as opposed to the situation with her vehicle (the unsatisfactory quality of repairs carried out following the accident), the wording is intended to cover repairs following an accident (a claim). It doesn't specifically relate to the issue of rectification of repair work should (as in this case) there be an issue about the quality of repair work. But I'd expect similar principles to apply in arriving at a fair and reasonable outcome. So, either the rectification work is carried out by the original repairer (giving them the opportunity to make good any issues). Or rectification work is carried out at another repairer, or a cash settlement is offered. I took account of these when proposing options to settle the claim.

Turning to Miss Q's response to the proposed options to settle the claim, I've considered what she's said and her preference for having rectification work carried out at a main dealer. I've also considered esure not responding to the provisional decision, which means they haven't provided a view on the options (and which, if either, they would be prepared to accept). As they haven't provided a view – and Miss Q has expressed her willingness to accept rectification at a main dealer – then I think it's reasonable that this is the basis for settling the claim.

As Miss Q accepted the provisional decision on reimbursement for the cost of L's estimate (£90) and the proposed £200 compensation for distress and inconvenience (and esure haven't provided a view on these elements) I haven't changed my mind on these points.

My final decision

For the reasons set out above, it's my final decision to uphold Miss Q's complaint. I require esure Insurance Limited to:

- Settle the claim by:
 - o having the rectification work be carried out by the main dealer supplying the further estimate of the work required and cost.
- Reimburse Miss Q for the cost of L's estimate (£90).
- Pay Miss Q £200 in compensation for distress and inconvenience.

esure Insurance Limited must pay the compensation within 28 days of the date on which we tell them Miss Q accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Your text here

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Q to accept or reject my decision before 23 December 2022.

Paul King
Ombudsman