

The complaint

Mr G complains about the repairs esure Insurance Limited carried out to his car following a claim made on his motor insurance policy. He wants his car repaired and compensation for his trouble and upset and for being without his car for four months.

What happened

Mr G's car was stolen and later recovered damaged. esure took it for repairs. But Mr G was unhappy that the repairs were unsuccessful, and this led to the car being declared a total loss. Mr G said the attempted repairs were unnecessary. He was unhappy with the time taken and that the courtesy car provided didn't suit his family's needs. esure offered Mr G the options of the car's market value, its market value less the salvage if he wanted to retain it, or to withdraw the claim and retain his No Claims Bonus (NCB). But Mr G was unhappy with this response.

Our Investigator recommended that the complaint should be upheld. She thought esure had tried to repair the car, but it found that further repairs were needed, and these were uneconomical. She thought the further options esure then offered Mr G weren't unreasonable. But she thought esure should pay Mr G £150 compensation for delaying the claim. And she thought esure hadn't provided Mr G with the courtesy car he was entitled to under his policy's terms and conditions. So she thought it should pay Mr G £300 for this.

esure agreed to do this. But Mr G thought incompetent repairs had caused his car to be a total loss. He thought esure should pay more compensation to cover his costs. He said he'd lost his No Claims Bonus (NCB) and was still paying insurance for a car he didn't have.

Our Investigator then suggested further repair options. But esure rejected these because it had already paid Mr G the car's market value in settlement of his claim, less the salvage as Mr G wanted to retain it. It had waived the policy excess. It said paying for further repairs would overcompensate Mr G.

Mr G replied that he thought the compensation suggested wasn't sufficient for the aggravation caused. He asked for an Ombudsman's review, so the complaint has come to me for a final decision.

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 can see that Mr G has accepted esure's option of paying him the car's market value and retaining its salvage. The amounts for the car's market value and its retention are in keeping with esure's previous offer made in December 2022, and the £250 policy excess was waived. Our Investigator wasn't aware of this when she issued her second view. And I think that this development makes her suggested options for further repairs redundant as Mr G has already received a settlement in keeping with his policy's terms and conditions. Mr G hasn't raised any further concerns about this.

The car was returned to Mr G after a delay. Our Investigator asked esure about this and it explained that the condition of the car and the location of the drop off required a specialist

recovery. I can understand that this caused Mr G further frustration. But I can't consider that here as I can't see that Mr G has complained to esure about this and so given it a chance to respond.

Mr G said he was still paying his monthly premiums for his policy at a higher cost because his NCB had been reduced. I can see that the policy was renewed in September 2022 following the claim in August 2022. The policy certificate explains that if a claim has been made and esure hasn't been able to recover its losses, then the unprotected NCB will be reduced. So I think it was in keeping with the policy's terms and conditions for esure to reduce the NCB at renewal. The premium would still be payable until Mr G had accepted esure's offer to declare the car a total loss.

Mr G was unhappy with the repairs and the delays in the claim. So I've considered the history of the claim. Mr G helpfully provided us with a detailed timeline, and I've also referred to esure's file.

I also note that Mr G is a professional engineer. But we're not engineers. We don't assess whether or how damage to a vehicle would be caused as this is a matter for the experts in these situations, the insurance companies and engineers. Our role in these complaints is to determine whether an insurance company has considered all the available evidence and whether it can justify its decision to not pay for additional repairs.

The car was stolen in mid-August 2022 but later recovered by the police and handed over to esure following forensic examinations. Mr G said he was asked to attend the approved repairers to look at the car in mid-September 2022. He said they agreed that there was minor superficial damage to be repaired. But I can see from the engineer's report that extensive repairs were required.

Mr G later received a call from the garage saying that the car was beyond economical repair. This was because both keys had been stolen and the repairer had consulted locksmiths who said they couldn't be replaced. Instead, extensive replacement parts were required, making the car a total loss. Mr G disagreed and consulted a locksmith which said the keys could be replaced for about £450. But I can't see that he provided a report from the locksmith for esure to consider.

After discussions with esure's engineer, Mr G was told by the repairer that repairs were going ahead. But he later found that no bodywork repairs had been made and the car was taken to a dealer's garage to have the locks replaced when the repairer had told him it was to have the keys programmed.

Mr G thought replacing the locks was unnecessary and caused further delays. But I can see that esure's engineer instructed the repairer to get the dealer to fit new locks and recode the new keys. And I think he reasonably did this based on advice received from locksmiths consulted by the repairer.

Mr G complained to esure about this in mid-October. He had then been without his car for two months and he had been provided with a courtesy car that was too small for his family's needs. He wanted a different repairer.

A month later, Mr G found that the dealer had changed the locks and a recode had failed and expensive parts were now required which, along with the bodywork repairs, made the car a total loss. This meant that the car hire cover ceased, but Mr G was entitled to further hire for 21 days or until 2 days after payment had been made. Mrs G, a named driver on the policy, complained that the car was too small for her needs.

In its response to Mr G's complaint a further month later, esure said the dealer's garage had decided that the car was uneconomical to repair. It said the dealer was unable to recode the keys without considerable further expense. esure offered Mr G the three options stated above, but he declined these. From what I can see, the car hire then ceased. Mr G said he'd

been without a car from this time, but I think he could have accepted esure's offer whilst pursuing his complaint and so mitigated his losses.

I can understand Mr G's frustration. But I can see that esure relied on the dealer's garage decision to attempt repairs, which were ultimately unsuccessful. Mr G said his own locksmith was prepared to make the repair for a small amount. But I haven't seen that esure had evidence in the form of a report to consider. esure also relied on an engineer's assessment to decide that the car was then beyond economical repair.

So I think esure reasonably declared the car a total loss. And I think it reasonably relied on expert advice to attempt the repairs and I'm satisfied that it justified its decision not to pay for further repairs. esure offered Mr G three options to resolve his claim. And Mr G eventually accepted one of these and payment was made to him. So I'm satisfied esure settled Mr G's claim in keeping with the policy's terms and conditions.

esure agreed there had been a delay in the claim due to the car not being taken to the dealer's garage sooner. I can see that Mr G was kept mobile in this time. And so I think £150 compensation for this is fair and reasonable, in keeping with our published guidance.

I can also see that Mr G's policy provided for "a similar size or type of vehicle to your car..." while his was being repaired. esure didn't provide Mr G with a similar hire car. So he was caused inconvenience until the point when his car hire cover ceased. But, after the car was deemed to be a total loss, Mr G was provided with hire beyond his entitlement to further hire for 21 days or until 2 days after payment had been made. So I'm satisfied that esure's agreement to pay him £300 compensation for not providing his correct hire car entitlement is fair and reasonable.

Putting things right

I require esure Insurance Limited to pay Mr G £450 compensation for the distress and inconvenience caused by its handling of his claim, as it's already agreed to do.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require esure Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 7 July 2023.

Phillip Berechree
Ombudsman