

The complaint

Mr B complains that esure Insurance Limited trading as Sheila's Wheels provided him with a poor service and delayed in returning his excess to him after he made a claim under his car insurance policy.

What happened

Mr B had a car accident which wasn't his fault and the third party admitted full liability. He had to pay the £500 excess in order to have his car repaired as he didn't have legal protection cover.

Mr B says that he had to chase esure repeatedly for the refund of his excess, and that they were unhelpful, cut him off, and were unable to answer his questions.

Mr B subsequently discovered that esure had received the excess refund from the third party insurer on 27 February 2023 but they didn't pay him until May 2023, despite him chasing them.

Mr B raised a complaint and esure initially offered £50 compensation for the poor service, increasing it to £100 in July 2023.

Mr B was unhappy with esure's response and brought his complaint to us.

One of our investigators looked into Mr B's complaint and he thought that £200 compensation more fairly reflected the distress and inconvenience caused.

Neither esure nor Mr B agreed with the investigator's view, and so the case has come to me to review.

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.

Having done so, I'm upholding this complaint – and I will explain why.

As it's agreed in this case that there was a delay in returning the excess to Mr B, I've thought about whether the compensation offered for this error was sufficient. I've considered the length of the delay, the information provided by esure, and the impact that this had on Mr B.

I consider that £500 is a significant amount of money, and so I would expect an insurer to return this money without any delay once it was recovered from any third party. It should have been returned shortly after 27 February 2023.

Mr B has told us that this was a lot of money for him to be out of pocket for and that's why he was chasing esure. He says that he made over 50 phone calls to esure in that five month period. During these calls he was given a variety of poor information, including being told

that he needed to chase the third party insurer himself because he had no legal cover, and being told to settle 50/50 even though the third party had admitted liability at the time of the accident. The third party insurer rightly referred Mr B back to esure.

In some calls Mr B says he was put in queues for extended periods, or transferred to other departments, and was cut off several times either being disconnected, or terminated at 5pm when the lines closed. He says in one call, a call handler shouted at him.

Mr B has told us about the impact that this had on his mental health - both being without the money for an extended period, and not being able to get consistent or proper advice from esure over a period of several months – at least two of which when they held his funds.

In view of that I'm satisfied that the impact on Mr B was significant and that £200 is a fair and reasonable figure for the two and a half month delay in returning the money, and esure's persistent failure to give Mr B correct or helpful information about it.

Putting things right

In order to put things right, esure should pay Mr B £200.

My final decision

My final decision is that I'm upholding Mr B's complaint, and directing esure Insurance Limited trading as Sheila's Wheels to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 November 2023.

Joanne Ward
Ombudsman