

## **The complaint**

Mr C has complained that esure Insurance Limited's approved repairer (AR) caused further damage to his car after repairs and esure failed to acknowledge or deal with his request for this damage to be repaired. Mr C says esure provided a poor service to him.

## **What happened**

Mr C's car was damaged in an incident on 18 October 2023. He made a claim immediately to his insurer, esure. The damage was cosmetic and Mr C's car was driveable.

On 27 October 2023 esure arranged for his car to be collected for repair. Mr C says when his car was returned to him following repair around 5 November 2023, an engine warning light was on the dashboard which wasn't there before. He said his car was over revving with barely any pressure put on the accelerator. Mr C said his car wasn't driveable.

Mr C contacted the AR and they agreed to collect his car to look at his concerns.

Mr C says at no time was he offered a courtesy car. He said he received conflicting or no updates when he chased esure.

The AR returned Mr C's car to him in January 2024 without carrying out any rectification repairs. The AR told him esure refused to approve them.

On 22 January 2024 Mr C complained to esure. He was unhappy that his car had been returned to him without further repair. He said he had been back and forth between the AR and esure since November 2023 but with no resolution. Mr C complained that he hadn't been offered a courtesy car even though his policy provided cover for one in his circumstances. He explained that he had been left without a working vehicle which was causing him considerable disruption and stress.

esure acknowledged Mr C's complaint on 4 March 2024, but didn't send a final response.

On 19 March 2024 Mr C asked us to look at his complaint.

esure provided limited information to show us it had investigated Mr C's concerns. esure said it would offer £150 compensation to Mr C for the distress and inconvenience caused by its lack of updates to him.

esure said that it agreed with Mr C following a call from him on 5 January 2024 for his car to be returned to the AR. esure said Mr C's car was booked in with the AR on 24 April 2024 for rectification work and for a courtesy car was to be provided.

In May 2024 Mr C told us he hadn't heard from esure about repairs since his contact with it in January 2024.

In light of the lack of evidence, the Investigator made the following recommendations:

- For Mr C to have the choice to take his car to a chosen garage or the AR for rectification repairs, and for esure to reimburse Mr C within reason.
- Mr C told us he had to take public transport 3 days a week since 19 October 2023 (excluding two weeks for Christmas and New Year holiday) and paid £5.20 for a day saver ticket. So up to the date of the Investigator's view, 30 May 2024, this was 30 weeks totalling £468 which esure should reimburse Mr C for.

- Pay interest on this sum at a rate of 8% simple interest.
- Pay Mr C £300 compensation for the distress and inconvenience caused by esure's poor communication, failed callbacks and promises, delay and having to ask friends and family for lifts while not being able to use his car.

Mr C accepted the Investigator's findings, but had concerns about whether esure would reimburse him for repairs. He asked if the garage could either bill esure directly – or if he obtained an estimate, could he ask esure to meet the costs of the estimate for him to make his own arrangements.

Our Investigator thought Mr C's proposals were fair and recommended he obtain an estimate for the repairs.

In June 2024 esure provided further comments from an engineer. An engineer said the engine warning light was due to a known issue with Mr C's make of car and there were recalls in place by the manufacturer.

In response, Mr C provided a screenshot using the VIN identity to show his car had no such recalls.

Our Investigator reiterated his recommendations to esure. He didn't find the engineer's comments persuasive in light of Mr C's screenshot evidence and that those comments were not provided at the time.

esure asked for an ombudsman to decide. It believes it has provided sufficient evidence from its engineer to show why it doesn't agree the AR caused further damage to Mr C's car.

esure says the recommended compensation award for travel costs is a large amount and it wants to see proof from Mr C before agreeing to pay it.

I issued a provisional decision on 27 September 2024. I intended to uphold Mr C's complaint. I intended to ask esure to do the following:

- Pay Mr C the equivalent reimbursement cost of £5.20 a day for public transport three times a week from 19 October 2023 to the date it pays him, minus two weeks for holiday time.
- Pay interest on the sum at a rate of 8% simple interest a year from 19 October 2023 to the date it pays Mr C.
- Pay £300 compensation for the distress and inconvenience caused.
- Either arrange for repairs to the engine warning light so that Mr C's car is driveable with the AR – or pay Mr C a cash settlement for same repairs subject to an estimate provided by him from a garage.

Both parties responded to my provisional decision.

esure said it would agree for Mr C's car to go back to an AR for the repairs to the engine warning light to be done as a goodwill gesture. It maintains that the warning light is not related to the incident.

Mr C says his car hasn't been roadworthy for almost a year now. The tyres are flat and so is the battery. He wants this service to consider the ongoing degradation to his car since he first claimed in October 2023.

He says he has contacted three garages which have all declined to provide an estimate unless Mr C arranges for recovery of his car via a low loader to carry out a full inspection.

Mr C is concerned about the further distress and inconvenience caused in having to obtain an estimate – and concerns that if he pays for repairs upfront, esure will not promptly reimburse him, leaving him in financial difficulty.

Mr C has suggested the fairest way to deal with his claim is for esure to pay a total loss settlement for his car.

So as both parties have responded, the case has been passed back 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.

My provisional findings were:

*'esure has failed to provide any meaningful evidence to show it properly investigated Mr C's concerns since November 2023.*

*From its limited notes and recent response from an engineer, it does support Mr C's more detailed timeline that the AR did take Mr C's car back to look at after the first set of repairs in November 2023: a decision was made not to accept rectification repairs – and Mr C's car was returned to him in January 2024. But esure's notes don't have any record of considering Mr C's concerns when his car was first returned to the AR in November 2023 - or any record of its decision to reject rectification repairs in January 2024.*

*When Mr C contacted esure several times by phone and live chat during January 2024 and February 2024, esure told him to contact the AR.*

*esure's notes failed to record Mr C's complaint email dated 22 January 2024. esure acknowledged Mr C's complaint in March 2024, but didn't provide a response.*

*esure hasn't provided an engineer report or any evidence from the time about what the engine warning light was, any consideration of an independent inspection, or any communication to Mr C by esure about its decision not to agree the rectification works or why.*

*Mr C says nobody has been in touch with him to arrange repairs and arrange a courtesy car as esure told us on 25 April 2024.*

*In response to the Investigator's first view, esure provided us with a screenshot it says is from the AR. This shows an entry dated 20 December 2023 that says the AR was unable to clear the code (causing the engine warning light) and the customer accepted it wasn't incident related.*

*In June 2024 esure asked an engineer for their comments. An engineer wrote that the warning light related to a well-known fault with the make of Mr C's car and there were currently recalls in place – so it was for Mr C to contact his main dealer.*

*The evidence provided by Mr C through the VIN of his car seems to contradict the engineer's response. And esure hasn't provided a specific response to Mr C's evidence.*

*The case notes show esure closed the case on 23 March 2024. But Mr C's concerns hadn't been addressed.*

*In May 2024 esure told us the AR said it had offered Mr C a courtesy car in October 2023 which he had refused. But there is nothing in their case notes from that period to support this. And so on the balance of probabilities, and in light of the other findings in my decision, I find Mr C's account carries more weight. I don't have timely evidence to show Mr C was offered a courtesy car by the AR, but refused one. And this seems inconsistent with Mr C's complaint.*

*We asked Mr C if he held any proof of the costs he paid for alternative travel. He says he didn't keep receipts as he didn't know there was a possibility he would be reimbursed. He*

*paid cash for day saver tickets to travel to and from work, giving us the location of his work from his home address. Mr C explained that his working days have been much longer due to travelling by public transport and sometimes he has been late for work which has caused him stress. He said he has had to rely on friends and family for lifts.*

*Usually we consider it reasonable for a customer to evidence loss of use. But in this case it's clear that Mr C raised his concerns with esure several times since his car was returned after the first set of repairs in November 2023, and since then esure has completely failed to investigate his concerns which I find unreasonable.*

*I find Mr C's explanation for not keeping evidence here reasonable. I don't think it's fair he should not be reimbursed by esure in this case because he doesn't have receipts. I don't agree that the amount is a large sum, in the context of the considerable delay esure is responsible for in dealing with his claim, and keeping in mind our daily rate for loss of use at £10 a day.*

*It's reasonable to expect a business to keep contemporaneous records when dealing with a claim. It should be able to demonstrate it did what it could to promptly deal with a customer's claim and concerns; such as consider loss of use at the time, ask a customer to keep receipts, and arrange an independent inspection if appropriate.*

*So in the absence of any meaningful evidence in this case, I think a fair outcome is for esure to meet equivalent costs Mr C says he paid for public transport 3 times a week at £5.20 a day from 19 October 2023 to commute to work to the date it pays a cash settlement equivalent to an estimate for the repair costs to Mr C's car – excluding two weeks for Christmas and New Year. I think by using public transport and relying on friends and family, Mr C has done what he can to mitigate his losses.*

*I don't think it is fair or reasonable for esure to now offer for an independent assessment of Mr C's car. I think this is something esure should have offered Mr C in November 2023. This is something that should be considered only if Mr C and esure cannot agree on a reasonable estimate to carry out rectification repairs. I've also kept in mind here that esure told us Mr C's car was booked in for rectification works on 24 April 2024 – but Mr C says nobody had been in touch with him to arrange this.*

*I think Mr C has been caused considerable distress and inconvenience by the way esure handled his claim. For this, along with reimbursement for what I consider a reasonable claim for public transport costs, I think esure should pay Mr C £300 compensation for the distress and inconvenience caused by its very poor service.'*

*In response to my provisional findings, esure says although it agrees to replace the sensor in question, if it fails again in the near future, it will not take ownership of this as it believes it to be a manufacturer fault.*

*esure hasn't provide any evidence to contradict Mr C's evidence by way of a screenshot showing the error code it says is a well known manufacturer fault applies to Mr C's car. So in the absence of any evidence provided by esure, I maintain my decision that it should allow Mr C to choose the repairer – and that the engine warning light repair is the responsibility of esure. As the insurer, esure must ensure repairs are effective and long lasting.*

*In my provisional decision, I intended to require esure to; "either arrange for repairs to the engine warning light so that Mr C's car is driveable with the AR – or pay Mr C a cash settlement for same repairs subject to an estimate provided by him from a garage."*

*Having considered Mr C's response to my provisional decision, I consider it fair and reasonable for esure to cover the costs of arrangements to have Mr C's car recovered to and from a garage for an estimate and/or completed works. It isn't Mr C's fault that his car hasn't been driveable for this long.*

It is for Mr C to decide if he wishes to use an AR. If he doesn't, esure should pay a cash settlement equivalent to an estimate for repairs '*so that Mr C's car is driveable*' or reimburse Mr C for payment of same repairs within 28 days of receipt.

I don't think a reasonable outcome is for esure to pay Mr C the market value equivalent of his car. This is for esure to decide, only if the circumstances and evidence show it is uneconomical for esure to indemnify Mr C for the repairs.

If Mr C has any new concerns he can raise a fresh complaint with esure. If he remains unhappy with the outcome, he can bring a new complaint to this service.

### **My final decision**

My final decision is that I uphold this complaint. I require esure Insurance Limited to do the following:

- Pay Mr C the equivalent reimbursement cost of £5.20 a day for public transport three times a week from 19 October 2023 to the date it pays him, minus two weeks for holiday time.
- Pay interest on the sum at a rate of 8% simple interest a year from 19 October 2023 to the date it pays Mr C.
- Pay £300 compensation for the distress and inconvenience caused.
- Either arrange for repairs to the engine warning light with the AR so that Mr C's car is driveable – or pay Mr C a cash settlement for same repairs subject to an estimate provided by him from a garage of his choice.
- esure should meet the costs to have Mr C's car recovered to and from a garage for an estimate and/or completed works. This should include reasonable associated repair costs caused as a result of Mr C's car being idle since the first set of repairs.
- A cash settlement or reimbursement must be made within 28 days of receipt of either an estimate or payment from Mr C.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 November 2024.

Geraldine Newbold  
**Ombudsman**