

The complaint

Mr H complains about how esure Insurance Limited dealt with a claim against his motor insurance policy. Reference to esure includes its agents.

What happened

Mr H took out motor insurance underwritten by esure and paid an additional premium for hire car cover. Unfortunately, Mr H's car was stolen and he made a claim on his policy. There were difficulties arranging a hire car, which I'll refer to in more detail below. As Mr H's car wasn't recovered, esure settled his claim for the theft of his car. Mr H never collected a hire car.

Mr H complains that esure didn't provide him with a hire car. He also complains esure didn't settle his claim in relation to the costs of private hire for his return trip home on the day his car was stolen and for the personal items in his car.

During the course of the complaint, esure paid Mr H compensation of £50 in relation to delay in providing a hire car. esure subsequently offered Mr H additional compensation of £50, so a total of £100. Mr H didn't think that was sufficient and pursued his complaint.

One of our Investigators looked at what had happened. She said that in accordance with the terms of the policy, esure should have provided a hire car by the end of 9 September 2024, but it didn't do so. The investigator thought esure's offer of a Volvo XC60 was suitable. She said the policy didn't cover Mr H's cost of private hire to return home on the day of the theft of his car or the theft of his personal items. The Investigator said esure's offer of total compensation of £100 was fair and reasonable.

Mr H didn't agree with the Investigator. He said his car was stolen on 6 September 2024, so he was entitled to 21 days car hire from that date. Mr H said he paid £22.70 for taxis to collect the hire car and esure's offer of compensation of £100 wasn't fair. The investigator considered what Mr H said but didn't change her view. Mr H asked that an Ombudsman consider his complaint, so it was 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've taken into account the law, regulation and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say esure should deal with claims promptly and fairly and must act to deliver good outcomes for retail customers.

Insurance policies aren't designed to cover every eventuality or situation. An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. The onus is on the consumer to show the claim falls under one of the agreed areas of cover within the policy.

The starting point is the terms and conditions of the policy, the relevant parts of which are as follows:

'Hire car – if yours is written off or stolen

If you make a claim and we decide that your car is a total loss or it's been stolen and not recovered, we will provide a hire car by the end of the next working day, for a period of up to 21 days.

[...] Upon payment of the total loss, your right to a hire car comes to an end. [...]

If we are unable to provide you with a hire car, we will reimburse you for up to £100 per day for a contribution towards alternative travel cost up to a maximum limit of £200 per claim.'

The policy defines '**Hire car**' as:

'[...] A similar type or sized vehicle to your car provided by a car hire company. [...].'

esure wasn't obliged to provide Mr H with a hire car from the date of the theft. Mr H made his claim under the policy on 7 September 2024, which wasn't a working day. Under the terms of the policy, esure was obliged to provide a hire car by the end of 9 September 2024. It didn't do so.

There's a dispute about some of the dates on which certain events occurred. Where there's a dispute about what's happened – as there is here - I come to a decision based on what I think is most likely to have happened, based on the available evidence and the surrounding circumstances.

On 12 September 2024, esure sent Mr H an e-mail arranging a hire car for that day. esure says it offered Mr H an electric car or a Volvo XC60 on 12 September 2024. Mr H says near the close of the working day on 13 September 2024, esure offered Mr H a car which he arranged to collect on 14 September 2024. When Mr H attended the car hire premises, he realised the car was electric, which he rejected. Mr H says later on 14 September 2024, esure offered Mr H a Volvo XC60 .

On balance, I prefer Mr H's recollection about the timing of the offers of a hire car. That's because Mr H is recalling events which were important to him. I think he's more likely to remember events more accurately than the recollection of esure's car hire provider, who was asked about this some time after it occurred. So, I think esure offered Mr H a Volvo XC60 on 14 September 2024.

I don't think an offer of an electric car was a '*...similar type...*' to Mr H's car, which was diesel. I'm satisfied esure's offer of a Volvo XC60 was of a '*...similar type...*' to Mr H's car – both are luxury SUVs. I appreciate the Volvo XC60 is smaller than Mr H's car. Under the terms of the policy, esure wasn't obliged to offer Mr H a hire car which was the *same* type or size as his car but one that was a '*...similar type or size[...]*'. The Volvo XC60 is a similar type to Mr H's car. So, an offer esure should have made on 9 September 2024 was in fact made on 14 September 2024. esure fulfilled its obligations to Mr H in relation to the provision of a hire car when it offered him the Volvo XC60 on 14 September 2024.

The policy says if esure is unable to provide a hire car, it will reimburse up to £100 a day for a contribution towards alternative travel costs, up to a maximum limit of £200 per claim. Mr H has provided evidence of taxi costs amounting to £22.70 on 14 September 2024. I think esure's payment of £50 and further offer of £50 is fair and reasonable in this case in relation to reimbursement of Mr H's alternative travel costs in the relevant period and for his distress and inconvenience arising from esure's handling of his claim. In reaching that view, I've taken into account the nature, extent and duration of Mr H's distress and inconvenience caused by esure offering a suitable hire car on 14 September 2024, rather than on 9 September 2024.

There's no provision in the policy for reimbursement of travel costs on the day of the theft of Mr H's car. And the policy doesn't cover personal items in the car at the time of the theft or any electrical equipment not permanently fitted to the car. So, I don't think esure acted unfairly or unreasonably in not paying those parts of Mr H's claim.

I'm sorry to disappoint Mr H but I think the amounts already paid and offered by esure are fair and reasonable in this case.

Putting things right

In order to put things right, esure should pay Mr H the £50 it has offered to pay in addition to the £50 it has paid previously. The total payment of £100 is in relation to reimbursement of Mr H' travel costs between 9 September 2024 and 14 September 2024 and his distress and inconvenience.

My final decision

My final decision is I uphold this complaint. esure Insurance Limited should now take the step I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 February 2025.

Louise Povey

Ombudsman