

The complaint

Mr B complains about the poor service and delays caused by esure Insurance Limited after he made a claim on his motor insurance policy, plus the payment it made for his car's repair.

What happened

Mr B had a non-fault accident in June 2023. There was damage to the front / right-hand side of the car. He wanted the other driver's insurer to deal with it, but as he wasn't happy with its service, he claimed on his policy. esure instructed a repairer in August 2023 and later appointed an independent firm of engineers ('firm H') to inspect the car. It seems there was an unexplained delay in doing so. Firm H said the car was repairable but that some of the damage was pre-existing. Firm H also found that damage to the rear bumper could have been caused by esure's agent. In line with esure's instructions, firm H proposed a cash settlement for Mr B to get the repairs done himself. It offered him £1,700. Mr B wasn't told about this for a month (until November 2023). He said it wasn't enough.

Subsequently there was a lot of confusion about whether esure had written-off the car. Mr B had to chase it for updates and was often given conflicting information by its advisors. When he collected his car from the repairer in December 2023 he says he noted extra damage to a wheel / tyre, as well as to the rear bumper, and that a warning light was on. He said the car was undriveable, but esure didn't agree.

In January 2024, esure told Mr B it had decided on a settlement sum for the car's total loss (but not what the sum was). He says he was told it had been written-off due to the cost of the extra damage to it. He continued to call esure about the situation. Meanwhile, Mr B had been in hire from August 2023 and remained in hire until April 2024 - although he says the hire firm charged him £181 due to esure's error. In April 2024 Mr B was paid the sum offered in October 2023 to get the accident damage to the car repaired. Yet on 16 April 2023 esure issued its final response letter, stating that the car was a total loss and offering Mr B £50 for delay. The offer was later raised to £250 after Mr B raised his complaint with us.

One of our Investigators reviewed Mr B's complaint. He thought esure should pay Mr B £500 compensation for the distress and inconvenience caused to him by its undue delays and very poor communication. He said Mr B should get estimates for the damage to the rear bumper and the tyre for esure to consider. Mr B said the car had been stationary for months, (causing further problems to it) so the Investigator thought he should get a report about that for esure to consider as well. esure said it would cover the damage to the rear bumper, but that there was no evidence of damage to the tyre / wheel by the garage or by its agent. And it said £250 compensation was sufficient.

Subsequently, I reviewed the complaint and issued a provisional decision, as follows:

Settlement offer of £1,700

We asked esure why it thought £1,700 for the repairs to Mr B's car was fair, when firm H thought the garage's estimate of £3,276 was reasonable. esure said the estimate was from a prestigious garage and that costs would be lower at other garages. I can see that labour charges might be inflated at a prestigious garage, but the cost of parts, paint, and additional

items (without VAT or labour) was £2,200. Firm H didn't say those sums were excessive. On the evidence I've seen so far, I think it would be reasonable for esure to increase the settlement sum to that level and to pay Mr B an extra £500 towards the repairs. And as it didn't pay Mr B the £1,700 until the end of April 2024, in my opinion it should pay interest on that sum from October 2023, when it should have been paid to him as an interim sum.

Extra damage to Mr B's car

esure has agreed to pay for the rear bumper to be replaced, which the independent engineer thought would cost around £1,000. We asked recently about the damage to the wheel / tyre and the basis on which esure had concluded that it wasn't the fault of its agent or the garage. In response, esure said the impact from the accident couldn't have caused that damage. But Mr B hasn't said that damage was accident related.

From what I've seen, esure doesn't seem to have investigated how the damage to the wheel / tyre was sustained. I can't see any explanation from it on this issue to Mr B. Unless esure can provide further information on this point, I think it would be reasonable for Mr B to get an estimate for the damage to the wheel / tyre and send it to esure to consider, alongside the estimate for the rear bumper.

In terms of the car's general condition, I haven't seen anything that shows the car wasn't driveable. The garage and firm H both said it was roadworthy, despite wear and tear issues (plus a warning light that firm H said related to a coolant leak that wasn't accident related). So I don't think it would be reasonable for esure to have to pay for any deterioration.

Hire charges

Mr B has provided evidence of the £181 charged by the hire firm in April 2024 (and of another hire payment of £178 taken from his bank account in August 2023). When we asked about these charges, esure told us it could find no reference to them in its notes, so Mr B should complain to the hire firm. But there are references to the hire in the claims notes, and Mr B has provided call recordings in which he complained to esure about being charged £181. He told it the charge was made because esure hadn't extended the hire, as promised. An advisor told him the recoveries team would have to look into it. Then, after Mr B called to query why no-one had called, another advisor said the customer services team would call about the issue. But Mr B had to call again to complain that it hadn't done so.

As the claim is non-fault, and is likely to be settled in his favour, I think Mr B should be able to recoup the charges from the hire firm / the other insurer. It seems the charge of £178 in August 2023 wasn't reported to esure, and it isn't clear why it was made. I think Mr B needs to raise it with the hire firm. But in my opinion, esure provided poor service in not extending the hire as promised (causing Mr B to be out of pocket) and by not investigating the situation or calling Mr B as promised to explain it to him.

Poor service / communication / delay

In my opinion, the claims notes and the call recordings show that Mr B received particularly poor service from esure throughout the claims process. He had to chase it frequently for updates and explanations. Promised calls to him weren't made. And he was totally bewildered by all the conflicting information he was given - particularly about whether his car had been written off or not. There were delays of several months in assessing the damage and in paying Mr B the £1,700, and (as set out above) confusion about hire charges.

esure's advisors didn't seem to understand the situation fully, or to follow the notes made by their colleagues. For example, there's a note on the file (in block capitals) on 6 March 2024 that says the car is repairable. But that didn't stop other advisors continuing to refer to it and treat it as a total loss (including in esure's final response letter to Mr B in April 2024). In my opinion, there was no consistency in esure's communication, leaving Mr B utterly confused,

frustrated, and forced to make many fruitless calls. Understandably, Mr B was alarmed when advisors told him that £1,700 was the car's total loss offer, when its pre-accident value was £13,500. He had to try to persuade them that the £1,700 was towards the car's repair, when that should have been obvious from the claims notes.

esure has accepted that its communication / service should have been better and that it caused delays. But I don't think the £250 it offered for that begins to reflect the impact of its acts and omissions on Mr B. I'm minded to conclude that it would be fair and reasonable for esure to pay him £600 compensation. I think that's in line with our guidance in situations where a consumer has faced considerable distress and inconvenience (in this case over a protracted period of time) that needed a lot of effort on the consumer's part to sort out.

I asked the parties to comment on my provisional findings.

Mr B said esure hadn't paid him the sum it had offered towards the repair of his car In April 2024, and he provided bank statements as evidence of that. He said he didn't think it would pay him the other sums referred to in my decision. Mr B said I hadn't referred to the cost of dealing with the deterioration of his car. And he said the garage that firm H's engineer attended had told Mr B that he hadn't inspected Mr B's car, as he only walked around it. The garage also told Mr B that the coolant leak could be accident related.

esure said it thought it had provided evidence that the wheel / tyre damage and the damage to the rear bumper were unrelated to the claim. It said the latter looked like old damage and that the tyre was worn and had been neglected by Mr B. It said the other driver's insurer also had issues with suspected unrelated damage to the car. But that it seemed I thought esure should pick up all the contentious damage, on the basis that it couldn't show it wasn't caused whilst the car was in its care. esure also said that it had been made clear to Mr B that hire wouldn't be covered under the policy.

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.

In terms of the payment that seems not to have been made in April 2024, I assume that may have been due to an oversight on esure's part. If so, esure needs to pay the sum due, with interest, from October 2023 as well as the extra £500 for repairs and the other sums set out in my provisional decision. If it doesn't do so (and I don't think there's any reason to assume that it won't) then Mr B can contact us for further advice on the issue.

Although Mr B says I didn't refer to the deterioration of his car in my previous decision, that's not correct. I said esure should not have to pay to put right any issues arising from the car being stationary for so long, as I didn't think Mr B could show it wasn't drivable.

There's no supporting evidence of the statements Mr B says were made to him about firm H's engineer and the coolant leak. I think esure is entitled to rely on the services of an independent engineer and to assume he carried out the task he was asked to do. In terms of the coolant leak, I think it was reasonable for esure to conclude that the position of the leak meant it wasn't caused by the accident. That was firm H's view, and the claims notes show that the other insurer also had concerns about the leak not being accident related.

I think the only damage that's contentious is the damage to the wheel / tyre. esure had already agreed to pay for the rear bumper, as firm H thought it could have been damaged by esure's agent. We asked esure to explain the basis on which it had decided it shouldn't pay

for the damage to the wheel. In response it only said the damage wasn't accident related. But that wasn't Mr B's argument. Regardless of any pre-existing wear to the tyre, he said extra damage was done by esure's agent or by the garage, which caused a hole to appear. He reported it to esure straight away. esure could have challenge his assertion, but without any further details from it, I think it's reasonable to give Mr B the benefit of the doubt.

In terms of hire, Mr B says he'll contact the hire firm about the sums taken from his account. He hasn't suggested that esure agreed to pay for hire. And my provisional finding in relation to the hire was only that esure had provided poor service in not extending it / not contacting the hire firm when it had promised Mr B it would do so.

Having considered all the representations made by the parties, I remain of the opinion that this complaint should be upheld, on the basis set out in my provisional decision, with the addition of a potential requirement relating to the missed payment in April 2024.

My final decision

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

- Increase the payment for the repair of Mr B's car by £500 to £2,200.
- If the settlement sum esure said was paid in April 2024 hasn't been made, pay it to Mr B with interest, at the simple yearly rate of 8%, from October 2023 until the date of payment in 2025. Alternatively, provide evidence to Mr B of the payment in April 2024, and pay interest on it from October 2023 to April 2024.
- Consider any reasonable estimate provided by Mr B for the repair of the rear bumper (as agreed) and any reasonable estimate for the repair of the wheel / tyre.
- Pay Mr B £600 in total for distress and inconvenience.

If esure thinks it should deduct tax from any interest paid, it should tell Mr B how much it has deducted, so he may reclaim the tax from HMRC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 March 2025.

Susan Ewins
Ombudsman