

The complaint

Mr S has complained about esure Insurance Limited trading as Sheilas' Wheels car Insurance. He isn't happy about the way it dealt with a claim under his motor insurance policy.

What happened

Mr S was involved in an accident which he told esure about. The accident was his fault, and he was aware that the third party would advance a claim, but he didn't want to claim for the damage caused to his vehicle which he felt was minimal.

During the early stages of the claim it was very clear that Mr S didn't want to make a claim under his policy for the damage to his own car. However, at some point esure advanced a claim writing off Mr S' car following a desk top assessment. As Mr S wanted to keep the car it paid the finance provider the remainder of the settlement, less the excess and the salvage value of the car. But Mr S wasn't happy about what had happened and couldn't understand how a claim for his own car was advanced which left him with a salvage marker on his vehicle and having to renegotiate his finance agreement, when all he wanted to do was notify esure about a potential claim under the policy as opposed to making a claim for the damaged caused to his vehicle.

When Mr S complained to esure about this it offered him £100 in acknowledgement of its poor communication. But as Mr S didn't think this was sufficient for the stress and inconvenience he was caused, he complained to this Service.

Our Investigator looked into things for Mr S and upheld his complaint. Although he accepted that there would always be a claim against Mr S' policy, he thought it was very clear that Mr S didn't want to claim for any damage to his vehicle and he was simply forced down this path by esure's poor claim handling. And so he asked esure to try and put Mr S back into the position he would have been in but for the error – to waive his excess, pay 8% simple interest for the time Mr S has been without the money, remove the total loss marker and to pay him £500 by way of compensation for the clear stress, worry and inconvenience all this caused Mr S. As esure didn't agree the matter has been passed to me for 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 agree that this complaint should be upheld. I know this will come as a disappointment to esure, but I'll explain why.

Although I can understand esure's response, as a claim for Mr S's car was eventually put through. But I accept it was never Mr S' intention to claim for his vehicle damage and he was intending to just continue to use the car. He sent photos in of his car as esure requested them and he thought that was solely to assist in settling the third-party claim.

While the matter has been with me for consideration I've asked esure for an explanation as to how the claim came to fruition as it hasn't been able to explain why. It accepts that *'the claim goes quiet from the customers side but when the customer contacts us again via live chat, it's pretty clear the customer is fully aware he is making a claim and is looking for us to*

pay his finance and he wishes to retain his vehicle. And esure highlights that Mr S didn't say at this stage that he didn't want to make a claim and so it doesn't feel that Mr S was forced into making a claim.

However, I've spoken to Mr S and it is clear that he was pushed into making the claim when that isn't what he wanted to do. And esure hasn't been able to explain why Mr S' clear early instruction that he didn't want to make a claim was ignored and somehow overridden.

As far as Mr S was concerned, he was just notifying esure about the incident and that was clear and isn't disputed by esure now. But even before the live chat, which was months down the line, esure seemed to ignore Mr S' wishes that he didn't want to make a claim – it looked for photos of his car and appointed a salvage agent to collect his car after doing a desk top assessment writing it off amongst other things. And I'm sure the use of live chat contributed to Mr S accepting the claim when a conversation would have been helpful and allowed him to explain his position. At this point Mr S just needed to stay mobile and didn't want his car taken away for salvage and felt he was left with no choice here but to allow the claim to be advanced and I can understand that.

So, all Mr S was trying to do was report the incident in line with his policy terms and conditions. And I haven't been provided with sufficient evidence from esure to explain why a claim for his vehicle was pushed through. I agree with our Investigator that it seems to me that Mr S was pushed into making a claim for the damage to his own vehicle that he didn't want to make. But the difficulty is unwinding what happened and putting Mr S back into the position he should have been but for esure's error here.

As esure hasn't really disputed the removal of the salvage marker and the damage seems minimal, and Mr S was happy with his vehicle and wasn't looking to make a claim I agree that esure should look to remove the salvage marker, especially as the car wasn't physically examined by esure's engineers. And I've spoken to Mr S and he is simply using the car having had the damage repaired himself. Given this I agree it would be fair for esure to remove the salvage marker in the particular circumstances of this case.

I know esure doesn't feel refunding Mr S' policy excess is fair, as there has now been a claim. But as Mr S didn't want to make a claim for his own car and felt compelled to because of the way esure handled his claim and pushed him into that position I agree that it would be fair and reasonable to refund the excess as Mr S didn't want to make a claim. And to pay 8% simple interest for the time he's been without the money owed.

Finally, it is difficult to understand how Mr S has been pushed into this position and esure hasn't really explained, even when the matter has been looked at by this Service, how Mr S' claim for his own car was pushed forward and why esure failed to follow his clear early instructions. And this has left Mr S in a very difficult position in having to reorganise his finances, having his car written off against his wishes and receiving very poor service. As such, I agree that he should be paid £500 by way of compensation.

My final decision

It follows, for the reasons given above, that I'm upholding this complaint. I require esure Insurance Limited trading as Sheilas' Wheels car Insurance to return Mr S' excess plus 8% simple interest and pay him £500 by way of compensation. And to remove the salvage marker applied to his car.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 October 2025.

Colin Keegan
Ombudsman