

The complaint

Mrs S complains on behalf of X that esure Insurance Limited (“esure”) failed to make reasonable adjustments for their disability, and discriminated against them when it said it wouldn’t take payment for the renewal of X’s car insurance policy.

Mrs S is a named driver on X’s policy. For ease, I’ll refer to her throughout as though it’s her policy as she’s been primarily dealing with this complaint.

What happened

In October 2024 esure invited Mrs S to renew her car insurance policy. In the renewal invite, esure said the policy needed to be renewed online.

But Mrs S didn’t have access to the internet due to her, and X’s, disabilities, and not being able to afford internet service anymore. She rang esure to make payment over the phone as she’d done before, but it told her she couldn’t do this as it’d changed its system. It also said it couldn’t accept payment by cheque. She asked if she could make payment by either of these methods as a reasonable adjustment for her disability.

Mrs S complained about this. She thought esure was discriminating against her and hadn’t made reasonable adjustments as it was required to do in line with the Equality Act 2010.

esure didn’t uphold her complaint. It explained it’d changed its processes and become a digital based insurer. What this meant was that it couldn’t take payment over the phone, but it retained a phone system to allow customers to obtain help with their questions. It apologised to Mrs S and said she could likely obtain cover elsewhere.

As Mrs S remained unhappy, she brought her complaint to this service.

esure then made an offer to settle the complaint. It said it would refund the difference between its quoted renewal price and the price Mrs S paid, if Mrs S showed she’d paid more with another company. Mrs S rejected the offer, and said she’d found a replacement policy cheaper than esure’s renewal price. She reiterated that she should be able to pay over the phone or by cheque.

Our investigator looked into her complaint and thought it wouldn’t be upheld. He thought that, on balance, esure had chosen to not accept payment by Mrs S’s preferred methods to protect itself and its customers from fraud. So although he appreciated Mrs S’s concerns about how it’d dealt with her, he thought it’d acted fairly.

Mrs S didn’t agree with the view. Because she didn’t agree, this complaint has been passed to me to make a decision.

I issued a provisional decision intending to uphold this complaint:

The relevant law here is the Equality Act 2010. And, given that it’s the relevant law, I’ve taken it into account when deciding this complaint. But I’ve reached my decision on what I think is fair and reasonable in this case.

I need to say to Mrs S that if she wants a decision about whether esure breached the Equality Act, then she would need to go to court.

Having considered the evidence, I'm proposing to uphold Mrs S's complaint. I'll explain why.

esure has said that it's moved to a 'digital first' approach. What this means is that it's moved its services primarily online. As part of its decision to do this, esure has said it's complying with a security standard relating to payment cards. The decision it took was to stop taking card details over the phone, which would mean that its staff members don't have access to customers' payment details. It also means that recorded calls don't include card details. esure said it chose to do this to protect its customers from fraud as it'd identified this as a potential source.

Mrs S points out that esure's decision to adopt this approach means it's actually a 'digital only' insurer for renewals rather than 'digital first'.

I've thought carefully about this, because I can see that esure's decision to stop taking payments other than online may mean that Mrs S feels that it's discriminating against her. I can understand why esure has taken this choice, because of its decision to eliminate a potential source of fraud and protect both itself and its customers. It's a commercial decision that esure is able to make on how it undertakes its business, however in doing so, it does need to ensure that its customers are treated fairly, and I'm not persuaded that's the case here.

When she called it to renew, Mrs S asked if she could make payment by cheque rather than over the phone by card. esure told her that its new system meant it wasn't possible for it to accept payment by another other method than online, which would mean cheques or BACS were no longer allowed.

I understand Mrs S's concern that this was discriminating against her, as she didn't have access to the internet any more for the reasons I've mentioned above.

I think it's relevant to say that I can see Mrs S says she told esure about her disability and I can see there's a note on her 2023-24 policy schedule as she declared a medical condition to it. But I can't see that she'd asked for reasonable adjustments, such as not undertaking any transactions online, to be made. So I don't think esure would have been aware prior to Mrs S attempting to renew her policy, that the change to its systems would cause her difficulty.

Mrs S asked that esure made a reasonable adjustment to let her make payment by phone or cheque. I think her request is reasonable. But, the system changes made by esure mean that it couldn't make the adjustment she wanted without exposing it to potential fraud, whether that be by card or cheque. Simply put, as I say above, its new IT system meant it could not take payment by another method.

esure's response to Mrs S's request was to tell her it couldn't take payment from her by her proposed methods. What it also said was that if Mrs S wasn't able to pay by this method, then she could find cover with another company. This point is important, because I don't think it's fair that esure's solution is that Mrs S leaves it and finds cover elsewhere. I don't think that's a reasonable adjustment.

But, crucially, esure wasn't able to offer the reasonable adjustment Mrs S wanted either, because of the system changes it'd made.

In its responses to this service, esure suggested another route to payment might be possible

involving a friend or family member of Mrs S to use as the destination for an online payment link as a type of 'trusted advisor'. But I can't see that this option was offered to Mrs S, or even that it's possible for her to use this method.

Mrs S has told this service that she doesn't think esure's reason for changing its processes to counter fraud is sufficient to mean it shouldn't make a reasonable adjustment for her to make payment by her preferred methods.

I asked esure about the decision it made to move to the 'digital first' approach. esure said that it hadn't considered using another method to gather customers' bank details, such as inputting the details via a telephone keypad. Previously, it'd used a voice-based system for bank details, but judged its reliability to be lower than needed for esure to be compliant with newer banking standards.

esure said customers buying online could store their payment information securely, meaning that they'd not need to re-input it. But in Mrs S's case, she wasn't able to do this as she no longer had access to the internet as I've said.

esure hasn't explained how it would propose to deal with customers at renewal who couldn't pay online, like Mrs S, and it hasn't explained whether it carried out an analysis of the number of customers who may be affected.

Its proposal of a 'trusted advisor' link doesn't seem to have been offered to Mrs S at any point, and I'm not convinced it's a reasonable adjustment that's a suitable alternative for many people.

Having considered the information on file, I can understand esure thinks its reasons for moving to an online-only platform are valid as it's carried out these changes to protect all of its customers from a potential source of fraud.

It's important I say that it's not the role of this service to interfere with esure's processes. We're an informal dispute resolution service, but we can look at whether esure's system change unfairly caused Mrs S distress and inconvenience.

I've thought about this and considered whether esure did enough to tell Mrs S about the changes to its processes before she reached renewal in 2024.

From the file, I can't see that esure told her in advance. What this meant was that the first time she realised she couldn't pay over the phone was when she tried to do it. And esure's refusal was likely a shock to her. So I think it's fair I say that esure should have warned its customers in advance of the change in case it caused them worry or inconvenience from having to look for an alternative provider at short notice, as Mrs S needed to do here.

Mrs S has also said that she's been able to find car insurance with another provider. I've mentioned above that esure said it would pay her the difference between its renewal quote and the amount she paid elsewhere. I think its offer is fair. But Mrs S was able to find a cheaper policy, so I can't see that she's suffered financial loss here.

It follows that I think esure could reasonably have let Mrs S know about the change to its process in advance so she could better prepare for it. I'm also persuaded that its failure to tell her about it, and provide a suitable alternative for her to pay, caused her some distress and inconvenience.

I don't think esure took into account how Mrs S would feel due to the changes it made to its system and processes, that ultimately meant her only reasonable course of action was to

buy cover with another company. I've thought about this and considered this service's guidelines on compensation, and I think the appropriate amount should be set at £300.

Responses to my provisional decision

Mrs S responded and said she didn't accept that payment by cheque or BACS would expose esure to fraud, and she said payment by BACS would be secure and would have nothing to do with esure's computer system changes.

esure responded and accepted that it should have explained its new processes better to Mrs S and its suggestion that she could have obtained cover elsewhere was unhelpful. It accepted the amount of compensation I set.

It commented that my decision may act as a precedent with other, similar, complaints. It also said its reason for changing its payment methods was both a commercial and a regulatory decision to reduce the risk of fraud and that payment by cheque hadn't been an option for Mrs S when she'd originally started her cover with esure.

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 read both parties' responses to my provisional decision carefully. What I can say is that this service considers each case on its own individual merit. I'm reaching this decision on what I think is fair and reasonable in this case, taking into account relevant laws and best practice. Although I can see esure said its decision to change its payment methods was partly driven by a need to comply with fraud regulations, my decision is that its changes caused Mrs S distress and inconvenience.

Mrs S hasn't accepted points about the payment methods accepted by esure. As I mention above, esure said it'd never accepted cheques since she'd had a policy with it.

And I can't say that Mrs S's point about BACS being secure is valid in this case. esure hasn't said why it doesn't accept payment by BACS, only that it doesn't. I said in my provisional decision that it's not the role of this service to interfere with a business's processes. esure's reason for the change was that it couldn't take payment by card details over the phone due to its assessment of the fraud risk involved with that. So, although Mrs S makes points about payment by cheques and BACS, esure doesn't have to accept those methods of payment if it wishes.

Neither party has supplied information that would reasonably change my decision, so my final decision and reasoning remains the same as my provisional decision.

My final decision

It's my final decision that I uphold this complaint. I require esure Insurance Limited to pay X £300 for the distress and inconvenience caused by the changes in its processes.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 19 August 2025.

Richard Sowden
Ombudsman