

The complaint

Mr L has complained about how esure Insurance Limited trading as Sheilas' Wheels (esure) dealt with a claim under a home insurance policy.

What happened

Mr L made a claim for a stolen bike. esure accepted the claim and said it would appoint a supplier who would contact him about replacing the bike. Mr L complained because he wanted esure to pay him a full cash settlement.

When esure replied to the complaint, it didn't uphold it. It said it was for esure to decide how to settle the claim. Mr L wanted a cash settlement, so it had asked its supplier how much it would have cost to provide the replacement bike. This was then how much it would pay as a cash settlement for the claim. It said it had followed the correct processes.

Mr L complained to this Service. Our Investigator didn't uphold the complaint. He said the policy explained how the claim would be settled. esure had acted in line with the policy terms by saying it would replace the bike and then offering a cash settlement for the amount it would have cost esure to replace it.

As Mr L didn't agree, the complaint was referred to me.

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 don't uphold this complaint. I will explain why.

Mr L made a claim for a stolen bike. Mr L wanted esure to cash settle the claim. He has said that the policy terms and conditions don't allow esure to settle the claim by any other method than paying him a cash settlement. So, I've looked at whether what esure said it would do was in line with the policy terms and conditions.

I'm aware Mr L has said esure assessed his claim using the wrong policy terms and conditions. As part of making my decision, I have confirmed that I've been provided with the correct policy booklet, which is a Sheila's Wheels branded policy booklet. I've also listened to the phone call when Mr L first registered the claim and said he wanted to make a complaint about how esure said it would progress the claim.

During that phone call, the call handler said esure would pass the claim to a company that acted on esure's behalf. This was so the company could look at the claim and arrange to replace the bike. Mr L said this wasn't acceptable and that the policy terms said esure would "pay" to settle the claim. Based on what I heard during the call, Mr L said he was reading the policy schedule and that this referred to "*The most we'll pay*". He said this meant the amount esure had agreed to pay him in cash and this didn't allow esure to settle the claim by other means, such as by replacing the bike.

Looking at the policy schedule, I can see that wording. The schedule summarised the cover details. It explained the cover type and the “*Sum insured (the most we’ll pay)*” for each type of cover. This included “*Specified items*”, which was the bike that was stolen. It said the “*Sum insured (the most we’ll pay)*” was £2,063.

But I’ve also looked at the policy schedule as a whole. At the start of the policy schedule, there was a section called “*What you need to do now*”. This consisted of three paragraphs, the last of which said “*Please read this schedule in conjunction with your policy booklet*”. So, I think it was clear this wasn’t a standalone document and needed to be read alongside the policy booklet.

So, I’ve looked at the Sheila’s Wheels policy booklet. This had a section headed “*How we settle your claim*” and said:

“If Your Contents, Personal Possessions or Specified Items are lost or damaged in any of the circumstances explained in the policy booklet, We can choose to:

- pay the cost of repairs*
- arrange for repairs; or*
- give You an equivalent replacement.*

If it is not possible to repair and an equivalent replacement is not available, We will pay You cash based on the full replacement cost.

However, if it is possible to make a repair and/or if an equivalent replacement is available but You do not agree with these settlement options, We will pay You cash based on the applicable equivalent repair or replacement cost to Us.”

So, this meant it was for esure to choose how to settle the claim, not the policyholder. I don’t think these settlement options are unusual. I also don’t think it’s unusual for it to be for the insurer to decide how it will settle the claim.

I’m aware Mr L has also said he didn’t think he should have to deal with a third-party company to progress his claim. So, I’ve also looked at what the policy wording said about this. In the section headed “*How to make a claim*”, the policy booklet said:

“What we will do:

for small claims, it is sometimes possible to process these over the phone through Our approved suppliers. If We are unable to do this, We may ask for estimates or quotations from You to support Your claim

for larger claims, it is likely We will arrange for a claims adviser, restoration company, building surveyor, investigator or supplier to come out and visit You as soon as possible”

So, I think the policy is clear that esure will appoint a supplier or other company to deal with a claim. Again, I don’t think this is unusual.

Mr L also said the dictionary definition of “*pay*” meant esure could only cash settle the claim. He said “*pay*” meant “*to give somebody money for work, goods or services*”. So, I’ve thought about this. Regardless of how esure settles a claim, it is paying to settle it. For example, if esure can settle a claim by carrying out a repair, or provides the policyholder with a replacement item, there is a cost to esure to repair or replace that item that it needs to pay. The amount it will pay for that repair or replacement is limited to the maximum amount the policy said it covered. From what I can see, that is consistent with the dictionary definition.

I'm not persuaded the use of the word "*pay*" meant the payment could only be made to the policyholder.

I'm also aware Mr L has said esure used an esure branded booklet, rather than a Sheila's Wheels branded booklet, to decide how to settle the claim. I also note that esure initially provided this Service with the esure branded booklet. I'm also aware that Mr L seemed, in error, to have taken out both an esure branded home insurance policy and a Sheila's Wheels branded home insurance policy and that these were in place at the same time. But the bike was only insured on the Sheila's Wheels policy. But, if I assume that esure used the esure branded policy wording to assess the claim, I've thought about whether this made a difference.

I've read the esure booklet. This included the same claim settlement options and wording about appointing suppliers as I've quoted from the Sheila's Wheels policy booklet. So, I'm not persuaded that, even if esure used the esure branded policy wording, this made a difference to how it should have progressed the claim. Based on what I've seen, esure correctly explained how it settled claims, including that it would appoint a supplier.

I've also looked at whether Mr L was provided with the policy booklet for the Sheila's Wheels policy. I've seen the letter Mr L was sent when he first took out the policy. The opening paragraph of the letter said: "*Thank you for choosing Sheilas' Wheels home insurance. All your documents are in your Sheilas' Wheels Policy Portal*". I've also seen evidence that Mr L activated his online account. So, I'm satisfied Mr L had access to the policy documents, including the policy booklet, if he wished to read them. If he was unable to locate them on the online portal, I haven't seen evidence he spoke to esure about getting copies of the policy documents until around the time he made the claim. This was about two years after he initially took out the policy.

It's my understanding that this claim remains outstanding. I'm aware that because Mr L didn't want to be provided with a replacement bike, esure has said it will pay him a cash settlement for the amount it would have cost its supplier to provide the replacement bike. This was also in line with what the policy booklet said about how esure would settle a claim where it could replace an item, but a policyholder wanted a cash settlement. So, I think esure acted reasonably. I leave it to Mr L to contact esure if he now wishes to progress his claim.

As a result, I don't uphold this complaint. Based on everything I've seen, esure has acted in line with the terms and conditions of the policy.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 December 2025.

Louise O'Sullivan
Ombudsman