

The complaint

Mr B and Mr M complain about the sale of legal expenses insurance cover by esure Insurance Limited.

What happened

In February 2023, Mr B and Mr M took out a home insurance policy with esure, and added legal expenses cover.

After making a legal expenses claim, Mr B and Mr M were unhappy with the cover provided. They complained to esure about the sale of the policy. They said they had opted for legal protection of £100,000 (though later confirmed they meant £50,000) but had found out the employment disputes cover was only £10,000. They also said the cover included a limit of £100 per hour for legal fees, which they said wasn't high enough. Mr B and Mr M also said they thought they had to renew the policy in 2025 because they had an ongoing claim, when this wasn't the case, and had raised this with esure at the time. So, they said they were stuck for another year with a policy that wasn't fit for purpose.

A final response was issued by esure on 20 April 2025 after it had reviewed the complaint. It said Mr B and Mr M had been provided with the policy documents when taking out the policy which explained what cover was provided. So, esure didn't think the policy had been mis-sold. Though it offered to waive the policy cancellation fee so that Mr B and Mr M could obtain cover elsewhere if they wished.

Mr B and Mr M pointed out that esure hadn't addressed their concerns that it hadn't been made clear to them they could take out cover with a different insurer whilst a claim was ongoing.

On 24 April 2025, esure responded to Mr B and Mr M. It said it had listened to a previous call from January 2025 where Mr B had queried this and accepted it should have made it clear to him that a customer wouldn't need to remain with esure if a claim had been made. It apologised for this and paid £50 compensation.

Unhappy with esure's responses, Mr B and Mr M brought a complaint to this service.

Our investigator looked into things but didn't recommend the complaint be upheld. She thought Mr B and Mr M had been provided with sufficient information about the policy when taking it out, so she didn't think it had been mis-sold. Our investigator thought the £50 compensation esure had paid for its error had been reasonable.

Mr B and Mr M didn't accept our investigator's findings and so the matter has been passed to me for a decision.

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.

Mr B and Mr M took out the policy via a price comparison website. That means the sale was non-advised (in other words, they didn't receive any advice from esure about the suitability of the policy). Under relevant industry rules, esure needed to give Mr B and Mr M information about their policy which was clear, fair and not misleading, to enable them to make an informed choice about whether or not to buy it. It was up to Mr B and Mr M to ensure they bought the level of cover which suited their needs.

The price comparison site didn't include legal expenses cover with the esure home insurance policy, but this was an optional upgrade. When a dropdown was selected for more details about this on the website, it said:

'Available upgrades

- *£50,000 cover limit*
- *Unlimited claims*
- *£50,000 max per claim*

Provides cover for legal costs to pursue or defend your case in a wide range of situations, such as personal injury, medical negligence and property disputes.

More cover options such as add-ons or upgrades may be available when you continue to the insurer's website.'

Mr B and Mr M then needed to go to esure's website to take out the cover. We asked esure for the information Mr B and Mr M would have seen before selecting legal expenses insurance. I see this gave some general information about the legal cover, and also said *'We will pay legal costs...up to £50,000 (or £10,000 for employment disputes)...*'

So, whilst I appreciate the information on the price comparison site didn't specify that employment disputes cover was limited to £10,000, I'm satisfied Mr B and Mr M were made aware of this by esure before taking out the policy.

After taking out the policy, esure sent Mr B a welcome letter. In that letter, it asked him to check the policy schedule, the Insurance Product Information Document (IPID) and policy booklet in the portal to confirm the cover was right for him.

The policy schedule confirmed that employment disputes had cover of £10,000, and all other sections had cover of £50,000.

The legal protection IPID provided an overview of the cover and said *'Covers you and your household up to £50,000 (£10,000 for employment disputes) for legal assistance in a wide range of disputes.'*

The policy document includes a section on the maximum amount payable. This says that the maximum for employment disputes is £10,000, and all other sections is £50,000.

So, I'm satisfied that Mr B and Mr M were provided with sufficient information about the legal cover at the time of sale in 2023, and particularly that the policy provided £10,000 cover for employment disputes. I therefore don't find the policy was mis-sold.

Mr B and Mr M are also unhappy that they felt forced to renew their cover in 2025. Mr B had a phone call with esure in January 2025, and esure accepted it had failed to make it clear in that call that he didn't need to renew even though he had made a claim.

I've read the January 2025 call notes. Mr B was unhappy with the renewal quote received, and asked esure to reduce the premium by £70 to £80 to match a cheaper home insurance quote he'd found online. I see that esure initially offered to pay Mr B £30 because of this but did then increase this to £80.

Mr B has clarified that his concern is not about the premium but that he felt he had no choice but to renew due to his legal expenses claim. It's accepted by esure that Mr B asked about this in the call and it failed to explain that he didn't need to renew because of the claim. As this point isn't in dispute, I haven't asked esure for the call.

To put things right, esure offered to waive the cancellation fee so that Mr B and Mr M could cancel their policy and take out cover elsewhere. It also paid £50 compensation.

Taking everything into account, I think that was reasonable. If esure had made it clear to Mr B and Mr M at the time that they didn't need to renew the cover due to the ongoing claim, they may well have chosen to end the cover and take out a policy elsewhere. However, I'm satisfied they haven't experienced any financial loss as a result of this. I say that because we know they could have taken out cover elsewhere that was £70 to £80 cheaper, but esure has paid the £80 difference.

It's accepted by esure that it should have been clearer with Mr B during the call, but I think the £50 compensation it has paid was reasonable and reflects the impact caused by its error. I appreciate Mr B and Mr M find the legal expenses cover restrictive, but esure also offered to waive the cancellation fee if they wanted to take out cover elsewhere. I think that was fair.

Finally, Mr B and Mr M are unhappy that the policy covers £100 per hour for legal fees. This is the amount that the insurer would pay to its panel solicitors. This term isn't unusual, and so I wouldn't have expected esure to have specifically brought it to Mr B and Mr M's attention at the time of sale. I've noted their argument that they don't think this is enough to cover their solicitor's hourly fee, and so I would suggest they raise this concern directly with the legal expenses insurer, who is separate to esure.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mr M to accept or reject my decision before 4 March 2026.

Chantelle Hurn-Ryan
Ombudsman