

The complaint

Mr O complains that esure Insurance Limited gave him incorrect advice about his entitlement to windscreen replacement under his motor insurance policy. He wants it to pay the cost he subsequently incurred, less his policy excess.

What happened

Mr O called esure for advice when he noticed a crack in his car's windscreen. It said he was covered for this, and Mr O contacted its agents to arrange the repair. The agent said a full replacement was needed and esure again said Mr O was covered for this. After the work was done, esure declined to pay for it as Mr O had third party fire and theft cover only and so he wasn't covered for windscreen damage. esure paid Mr O £150 compensation for giving him incorrect advice. But Mr O remained unhappy.

Our Investigator recommended that the complaint should be upheld in part. He thought Mr O wasn't entitled to windscreen cover and the onus was on him to have been aware of this. And so he didn't think esure needed to pay for the windscreen replacement. But he thought esure had twice given Mr O incorrect advice. And he thought this had prejudiced Mr O, given the low value of his car, as he may have looked for a cheaper alternative elsewhere if he knew that he had to pay for this himself. So he thought esure should increase its compensation offer to £350.

esure replied that it thought its compensation payment was fair and reasonable. It asked for an Ombudsman's review, so the complaint has come to me for a final 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.

I can understand that Mr O felt frustrated that he incurred a large expense after esure provided the wrong advice about his cover. I was sorry to hear this has left him in financial difficulties. I can understand this has been a stressful experience for him.

I'm satisfied Mr O wasn't entitled to windscreen cover under his policy. But I can see that esure told him in two separate calls on different days that he was covered. And its agent told him that, due to the size of the crack, replacement was the only option. And so the replacement was made with Mr O understanding that esure would pay for it. But it didn't, and the agent is now pursuing Mr O for this cost.

When a business makes a mistake, as esure accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

Mr O has a new windscreen. His policy didn't provide this cover and so his claim should have been declined. As no cover was available, I think it would be unfair and unreasonable for Mr O to benefit from esure's mistake by asking it to pay for this. So I think Mr O should discuss repayment arrangements for the cost with esure's agent.

From what I can see, I think Mr O would have needed to replace his windscreen even if he had been provided with the correct advice by esure. But the cost of the replacement provided by esure's agent was about half the value of Mr O's car. I think if he'd been given the correct advice he could have shopped around for a cheaper alternative. Mr O says he could have filled the crack or done nothing. But he lost this opportunity. And so I think esure's errors prejudiced Mr O's position.

esure paid Mr O £150 compensation for the trouble and upset caused. But our Investigator thought this should be increased to £350. I think this amount of compensation better reflects the impact of esure's repeated errors on Mr O and his position. It's in keeping with our published guidance where repeated errors have had a significant impact on a consumer. And so I think £350 compensation is fair and reasonable.

Putting things right

I require esure Insurance Limited to pay Mr O £200 further compensation (£350 in total) for the distress and inconvenience caused by its level of service.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require esure Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 5 April 2024.

Phillip Berechree
Ombudsman