

The complaint

Mr A complains about how esure Services Limited trading as Sheila's Wheels ("esure") handled a claim under his car insurance policy.

What happened

In June 2023 Mr A was involved in a collision and damaged his car. He reported this to esure and made a claim.

esure assessed the damage. But it said it couldn't obtain the parts it needed to repair the car, so it offered a cash-in-lieu settlement of £1,212.88 to Mr A.

Mr A checked with the car's manufacturer which said the parts were available but were on back order. Mr A wasn't happy, but he accepted esure's offer.

Mr A asked some other repairers for quotations to repair his car. The repairers inspected the car and quoted between about £6,000 and £9,000. Mr A had to pay for a report to be done from one repairer, which cost him £150.

esure wouldn't pay more than its cash payment. So Mr A approached this service.

Our investigator looked into his complaint. esure was able to arrange for the car to be repaired by its approved repairer subject to the terms and conditions of the policy and if Mr A repaid the cash-in-lieu amount. It's my understanding that this is underway, so I'll not mention the repairs further here.

Our investigator thought esure's service hadn't been very good. She thought it should pay Mr A £200 compensation and the £150 he'd paid for the inspection. Mr A agreed with the view. esure didn't. It said it had settled the claim in line with its terms and conditions.

Because esure didn't agree, this complaint has been passed 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've said above that the repairs to Mr A's car have now been agreed by esure so I'll not consider this further here. If Mr A is unhappy about the process then he's free to make a further complaint to esure about that, and this service in turn if he remains unhappy.

I'm left to consider the distress and inconvenience caused to Mr A by the claim, and the disputed cost of him obtaining an estimate for repair.

Having considered the evidence, I'm upholding Mr A's complaint. I'll explain why.

I can see from esure's evidence that it considered various options to repair Mr A's car including using recycled parts. Which is why it decided to settle the claim with a cash

payment. But I can also see in its final response that it says it didn't have a direct parts supplier or a parts dealer for the brand of car Mr A owned.

It's esure's position that it didn't act unfairly in how it handled Mr A's claim as it was entitled to settle his claim with a cash payment. I've not been provided with a copy of the policy wording, but it's common that insurers are able to take this approach.

But in Mr A's case, when he approached his own choice of repairers, the estimates he obtained were very different from esure's. I've looked at the estimates and they say some parts need repairing or repainting that weren't on its own estimate. But, importantly, the two estimates obtained by Mr A both list certain parts in common. And on the balance of probabilities I think it's fair to say that the two reports work together to provide more evidence than esure's own.

It's important I say that Mr A has done the right thing here. He's taken his car to a repairer as esure couldn't fix it. He's not an expert in these matters, and two different repairers have told him similar things. I know esure doesn't agree with his estimates, but now it's agreed to repair the damage I think this point is moot.

But Mr A was left in a position where he had no choice but to approach repairers and ask for estimates. One of those asked for a £150 payment for the report and Mr A paid this. It's normally fair to say that proving an amount of loss would be the claimant's responsibility, but in this case the outcome was so different (a minimum of five times the amount he'd received from esure) that I don't reasonably think esure's amount was fair. So I think it needs to refund the £150 Mr A paid for the estimate.

I've also considered Mr A's distress and inconvenience. esure disagreed with the view that said he should be paid £200 as it had followed its terms and conditions. But its decision to settle the claim for cash, although in line with its terms, left Mr A in an unfair position at the time. I can see from his evidence that he's been caused inconvenience and I think £200 is fair compensation and is in line with this service's guidelines.

My final decision

My final decision is that I uphold this complaint. I direct esure Services Limited trading as Sheila's Wheels to pay Mr A:

- £150 in respect of the amount he paid for an estimate.
- £200 compensation for his distress and inconvenience

esure Services Limited must pay the amount within 28 days of the date on which we tell it Mr A 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 Mr A to accept or reject my decision before 5 April 2024.

Richard Sowden
Ombudsman