

The complaint

Miss S complains about how esure Insurance Limited trading as Sheilas' Wheels ("esure") dealt with her following a collision with a third-party vehicle.

What happened

Miss S had a motor insurance policy with esure covering her car on a third-party fire & theft basis ("TPFT").

In February 2024 she was involved in a collision. She contacted esure and told it about the collision. It told her it thought her car would be deemed a total loss.

esure accepted the claim. It told Miss S it would collect her car and settle her claim.

About a month after the collision, Miss S chased esure. It told her that her policy covered her on a TPFT basis, so there was no cover for her car.

Miss S made a complaint. She tried to cancel her policy but esure said she couldn't due to there being an ongoing claim, even though there was no claim. esure later accepted her cancellation and refunded her £58.04. It waived a £35 cancellation fee.

esure said it would pay Miss S £200 compensation for mistakes it'd made in handling the situation.

Miss S didn't think this amount was enough as it didn't compensate her for her loss of expectations. She brought her complaint to this service.

Our investigator looked into her complaint and thought it wouldn't be upheld. She said she didn't think Miss S had suffered a financial loss, and that esure had offered her a fair amount of compensation.

Miss S didn't agree with the view, so it's been passed to me to make 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.

Having read the file of evidence, I can see Miss S has been left frustrated and disappointed by esure's actions in dealing with the results of the collision. She points out that she's not had to make a claim for many years, and felt guided by esure's actions.

And it's her disappointment about esure's ongoing actions that, I think, demonstrate her distress about the situation.

I can see from the file that Miss S accepts there is no cover under her car insurance policy for the damage to her car. I can also see that when she contacted esure to notify it about the collision, esure spoke with her about the nature of the TPTF cover she had, but asked for

further information about the collision and the third party involved.

I think it's fair I say that esure's interest in the collision was likely due to it trying to establish the nature of the damage to the third party, and hence whether a claim would eventually be made by that person.

But I can see that this confused the situation and led directly to an offer to collect Miss S's car, even though there wasn't any cover under the policy wording.

I've also considered that Miss S chose a level of cover meaning damage to her own car wasn't included. From the file, her car was still driveable so I think it's fair I say her inconvenience was relatively minor. I can see Miss S was concerned about her car being recovered by esure's recovery company and this affected her actions for a few weeks after the collision, but I also think she could reasonably have asked esure for some clarity about the situation around this time, which may have allayed her concerns.

esure's actions in dealing with Miss S have led to confusion and distress for her. Much of this would have been dealt with in that first phonecall if the claim handler had correctly handled the TPFT situation. I can also see that two claims were lodged against Miss S's records, seemingly due to a partial claim lodged online and then a phonecall to esure.

Again, these claims don't seem to have been closed down effectively by esure, meaning that when Miss S called to cancel her policy, she was told she couldn't due to an open claim.

She was able to call back the following day, and esure waived her cancellation fee which is fair and reasonable.

Taking everything into account I can see Miss S found the experience very disappointing and I agree esure didn't manage her expectations effectively. I can see she's been caused distress by esure's actions. I've thought about this and considered this service's guidelines on compensation, and I think the amount offered to her of £200 is fair and in line with those guidelines.

So, my decision is that esure should pay Miss S £200 if it hasn't already done so.

My final decision

esure Insurance Limited trading as Sheilas' Wheels has already made an offer to pay £200 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that esure Insurance Limited trading as Sheilas' Wheels should pay Miss S £200 if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 14 January 2025.

Richard Sowden
Ombudsman