

The complaint

Mr A complains that esure Insurance Limited (esure) charged him an additional policy excess fee for a claim relating to a hire car he was using, whilst his car was being repaired following an accident, under his motor insurance policy.

What happened

Mr A's car was damaged whilst parked. He made a claim to esure, and it arranged for repairs to be carried out. Mr A wasn't satisfied with the handling of his claim. He referred his complaint to our service and these issues were dealt with. Mr A subsequently complained about further charges he was asked to pay by the hire car company. This point has been considered separately to his initial complaint, under this new reference.

In his complaint Mr A says the hire company is asking him to pay upwards of £7,000. This is to pay for damage caused by an accident he had when driving the hire car. Mr A says he was told the damage would be handled by the hire company and its insurance. He says he can't afford to pay the amount requested and this is causing him to worry.

In its response esure says Mr A was insured to drive the hire car under his existing policy. It says the hire company wrote to Mr A to tell him he was liable for the cost of repairs. This included the loss of rental for the period the hire car couldn't be hired out. The letter said this was up to the amount of Mr A's policy excess. esure says this wasn't worded very clearly by the hire car company. It explained to Mr A that he had to pay another policy excess as he'd made two claims.

esure says it paid for the repairs to the hire car, but the policy excess had to be paid by Mr A.

Mr A didn't think this was fair and asked for this issue to be considered by our service. Our investigator didn't uphold his complaint. He says Mr A has made two claims against his policy with esure. The first was for the damage caused by a third party when his car was parked. The second claim is for the damage he caused to the hire car whilst he was driving it. For both claims he says Mr A is liable to pay his policy excess.

Mr A didn't agree with this outcome and asked for an ombudsman to consider his complaint.

It has been passed to me to decide.

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'm not upholding Mr A's complaint. Let me explain.

I've read Mr A's policy terms and conditions to understand what he must pay in the event of a claim. The terms, under the section entitled "*Damage to your car*" say:

"What isn't covered

Excesses • All the excesses which apply that are shown in your Schedule"

Mr A's policy schedule says:

"Excesses

Voluntary vehicle damage.. £1,000."

This explains that Mr A has agreed to pay the first £1,000 in the event of a claim. I can see from his certificate of motor insurance that Mr A's policy covers him to drive a hire car supplied by an approved vehicle supplier, whilst his car is being repaired. esure doesn't dispute that Mr A was covered under his policy for the damage caused to the hire car. It confirms it has settled the hire company's claim. All that remains is for Mr A to pay the policy excess.

I acknowledge Mr A's view that insurance for the hire car was provided by the hire car company. I've read the vehicle hire agreement Mr A was provided with. On the first page it says, *"YOUR INSURANCE DETAILS ("POLICY")"*. It then confirms Mr A's insurer is esure and includes his policy number. The hire agreement also says:

"Your car insurance policy with esure Services Limited. See clause 10"

Clause 10 says:

"You must ensure that the Policy provides comprehensive cover for the period of hire and until the Hire Vehicle is back in Our possession and in the event of damage to, or the theft of, the Hire Vehicle You must Promptly and diligently pursue a claim with Your insurers for the full amount of damage to, or loss of, the Hire Vehicle and You will hold the proceeds of such claim on trust for Us but will pay them to Us as soon as possible."

And clause 14 says:

"14. You will when asked pay Us the reasonable retail cost of repair or replacement if You do not return the Hire Vehicle including its accessories, parts and equipment in the same condition as they were at the start of the hire, whether or not You caused the damage or loss. You will usually only have to pay the amount of Your Excess..."

The agreement Mr A had with the hire car company, meant his policy with esure covered the cost of the damage to the hire car. Mr A is only liable to pay an amount up to his policy excess. As discussed he agreed to a policy excess fee for £1,000. So, as a claim was made against Mr A's policy with esure for damage to the hire car. Mr A must pay his policy excess as per the terms and conditions he agreed.

I agree with esure that the letter the hire company wrote to Mr A in May 2023 could've been clearer. It appears a template letter was used, and this wasn't filled in fully. So, the letter says, *"£Excess"* instead of detailing the actual policy excess Mr A was due to pay. Other parts of the letter weren't filled in with the expected information either. However, the hire company's letter does say Mr A is only obliged to pay, *"up to the amount of the excess"*. I think this was clear.

In summary, although I understand it can be confusing when a credit hire company is involved in a claim, I don't think esure has treated Mr A unfairly here. It covered the cost of the damage caused by Mr A to the hire car. It's unfortunate that he's had to make two claims

in such a short period of time. But it's correct that he pays his agreed policy excess of £1,000 for each of these claims. So, I can't reasonably ask esure to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 October 2023.

Mike Waldron
Ombudsman