

## **The complaint**

Mr A has complained about the service he received from esure Insurance Limited trading as Sheilas' Wheels after he told it not to renew his home insurance policy.

## **What happened**

Mr A had a home insurance policy with esure that was due to renew on 10 January 2023 with monthly payments of £20.01 unless he called it to cancel the renewal.

On 3 January Mr A called to cancel the automatic renewal of the policy. Unfortunately, esure didn't process the cancellation. On 10 January it took the new monthly payment of £20.01 from his bank account by direct debit.

Mr A reclaimed that amount from his bank under the direct debit guarantee. That led his bank to claim £20.01 from esure. Around the same time esure had also refunded Mr A with £20.01, meaning Mr A had been refunded twice.

Mr A complained to esure about the service he'd received. It apologised for not cancelling the renewal and offered him £25 compensation. However, it didn't actually pay the compensation.

In April esure chased Mr A for repayment of the refund. It said failure to make payment might impact his credit score. In May esure told Mr A if he didn't pay the £20.01, it would refer the matter to a debt collection agency.

After another complaint from Mr A, esure wrote off the £20.01 and paid Mr A £5 in respect of the balance of its compensation offer of £25. It later agreed to pay Mr A a further £20 and finally another payment of £50 by way of compensation.

Mr A brought his complaint to this service. Our Investigator didn't recommend it be upheld. She thought esure's resolution of the complaint was fair and reasonable.

As Mr A didn't agree, the matter has been referred to me.

## **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.

In particular, I've looked at esure's correspondence to Mr A dated 19 January, 29 April, 2, 12 and 31 May, 26 and 28 June and Mr A's correspondence to esure dated 27 June 2023.

As esure has already accepted that it made a number of errors when handling the cancellation of Mr A's policy, what I need to decide is whether its apology and offer of a total of £95 compensation is fair in the circumstances. The errors were not cancelling the policy in accordance with Mr A's instruction, not paying him the £25 compensation and pursuing him

for repayment of the £20.01 when it hadn't paid him the £25 previously offered.

To sort out the various mistakes Mr A had to make several telephone calls to esure. On top of this inconvenience, I can understand his distress on receiving letters chasing him for £20.01 when, if the unpaid compensation of £25 is taken into account, he didn't actually owe esure anything. It would also have caused him concern that his credit score might be adversely impacted at a time when he was about to renegotiate his mortgage.

But esure took steps to resolve the matter once Mr A had complained about the debt collection letters. A debt collection agency wasn't instructed and Mr A's credit score wasn't affected.

Our awards of compensation aren't intended to punish businesses for mistakes they've made – that's the job of the regulator. Instead, we look at the emotional or practical impact of a business's mistakes on its consumer.

I understand Mr A feels strongly that compensation of £50 for the threatening letters is insufficient. But when I decide complaints like this, I look at what happened as a whole. Overall, I'm satisfied that esure's offer of a total of £95 compensation is fair and reasonable for the trouble and upset Mr A suffered due to the poor service he received and in line with other awards made by this service. I'm not going to require it to do any more.

### **My final decision**

For the reasons given above, 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 20 February 2024.

Elizabeth Grant  
**Ombudsman**