

The complaint

Mr L complains that esure Insurance Limited (“esure”) would remove his ability to choose his own repairer following a claim under his motor insurance policy.

Mr L is represented in this complaint, but for ease I’ll refer to him throughout.

What happened

I’ll supply a little of the background to Mr L’s claim, but I’d also emphasise that his approach to this service concerns the cover given by esure under its policy.

Mr L had a car insurance policy with esure covering his car.

He was involved in a collision with a third party. The third party was at fault. He contacted esure and made a claim.

esure said he could use its approved repairer, which was located some distance away from his home. Mr L wanted to use a more convenient repairer. esure said he could, but he’d be responsible for paying an additional excess of £200 if he wanted to do this.

Mr L’s concern is about the additional excess applied by esure when customers choose to use their own repairer rather than esure’s approved network. He says this is done for esure’s own benefit and it may be unlawful.

esure responded to Mr L and said its terms and conditions were in the policy wording so it didn’t think it had done anything wrong.

Mr L remained unhappy and brought his complaint to this service. Our investigator issued a view and said that he thought esure had acted fairly and reasonably.

Mr L asked for the complaint to be reviewed, so it has 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 done so, I’m not going to uphold it and I’ll explain why.

I’ve read details of Mr L’s claim and subsequent complaint. I’ve also read the policy information he was supplied with when he applied for cover.

It’s important that I say we’re not the regulator and don’t have the power to make a company change its processes. I understand Mr L has also made an approach to the regulator, the FCA, about the fitness of esure’s terms and conditions.

It’s clear to me that Mr L feels particularly aggrieved that he didn’t feel able to choose his

own repairer when he contacted esure to make his claim.

I can see that esure offered the following options to Mr L in its policy wording:

“All loss and damage to your car unless it’s by fire, lightning, explosion, theft or attempted theft. We will:

- pay to repair the damage or*
- replace what’s been lost or damaged if it’s more cost effective than repairing it; or*
- pay to settle your claim.”*

I can see in its schedule and policy wording that esure sets out the excesses that may be payable. They say (in various sections and this is not exhaustive):

“What is not insured

The £200 excess applied if you do not use our recommended repairer”

“Excesses

Repair work by your own repairer £200”

“Our recommended repairer service

If the repairs to your car are completed by a repairer who is not recommended by us, your claim will be subject to an additional £200 policy excess and none of the recommended repairer benefits will be available”

So I think esure make it clear in its wording that there are different options to repair or pay for or replace the damage, and that a different excess will be charged by using an approved repairer. This is a common approach in motor insurance.

The reason esure seems to do this is because, by using a non-approved repairer, esure’s costs typically increase. It will already have agreements about (for example) agreed labour rates with its approved network, so when a customer like Mr L chooses their own garage, esure will have to carry out additional work liaising with the repairer. And it may feel it needs to send an engineer out to look at the car because the repairer is using systems esure can’t easily access.

These are just examples to illustrate why esure might choose to apply the additional excess. But I think it’s fair esure apply this additional excess and I think it reasonably told Mr L about it in the policy documents. Mr L could have opted to use another provider if he didn’t agree with the terms and conditions.

Mr L also mentions that the cost of his repairs, including the excess, would have been recoverable by esure from the third party who caused the collision. Mr L’s policy states that his excess is payable in the event of all claims under his policy. This is standard industry practice, and I can’t say that this is unreasonable.

It doesn’t seem to say what would happen to his excess if esure was able to recover all of its costs but it’s likely that it would have been returned to him as an uninsured loss once the recovery was complete.

But I’m satisfied that it told him about the excesses in his policy terms and conditions. If Mr L

didn't agree with the terms of the policy then he reasonably had the opportunity to object to them.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 December 2023.

Richard Sowden
Ombudsman