

## **The complaint**

Mr M has complained about the level of service provided by Advantage Insurance Company Limited ("Advantage") in the handling of his claim under his motor insurance policy.

## **What happened**

Mr M has been dealing with "Hastings Direct" throughout, however "Hastings Direct" is a trading name in this instance and Advantage is the relevant insurance underwriter as stated in Mr M's insurance certificate. In the circumstances, I'll be referring to Advantage throughout this decision letter.

Mr M had an accident in August 2019. A third party was at fault and Advantage processed Mr M's claim on this basis. It initially transferred the matter to its nominated repair company, which decided that the car should be written off. Mr M wasn't happy with this decision and considered that the car was not beyond economic repair. He therefore contacted Advantage and they agreed that the car could be repaired by a garage chosen by Mr M. Mr M felt that he hadn't been treated fairly and reasonably by Advantage in having his claim resolved, although he acknowledged that, in the end, there has been no real financial loss.

Mr M complained to Advantage regarding the following matters; -

- Mr M was extremely unhappy with the way his claim was handled by Advantage. He was made to feel that he was a nuisance.
- When he first raised his claim, at no point was he informed that he could use a garage of his choice. He considered that all options should have been explained.
- Mr M said that he wasn't initially informed of his options or his right to dispute his car's write off.
- He also said that he wasn't advised about which garage his car had been taken to and how to retrieve it or how to go about getting it repaired.
- Despite discussions with many members of staff at Advantage, it wasn't clearly explained to Mr M that he would have to claim the excess amount from the third-party insurance company by himself.
- The amount of time taken to have his car repaired as a result of the above.
- Disappointment with the inaction and then the response of a particular claims case-handler in relation to the engineer's report.
- Mr M felt it had taken too long for this simple, cheap repair to have been processed correctly.
- He found some of Advantage's staff to be friendly, warm and helpful, but found more of them to be difficult, incompetent and rude.
- Mr M cancelled his policy and made an adjustment payment. He then received an e-mail referring to an outstanding balance that remained to be paid. This was an error.

Advantage provided a final response which responded to some, but not all, elements of Mr M's complaint. Overall, Advantage agreed that their service had fallen well below the expected standards and offered their apologies to Mr M for any inconvenience this had caused. They forwarded a cheque in the sum of £150.00 in compensation.

Mr M was not satisfied that the £150.00 compensation was adequate recompense for the distress and inconvenience he had suffered through the course of his insurance claim and he complained to the Financial Ombudsman Service as a result. He said that would like his complaint to be fully investigated, so that all complaint points were looked at, all telephone calls listened to and all emails read. He wished the compensation amount to be reviewed in order to break down how Advantage valued the amount of stress and upset they had caused him.

The Service's Investigator looked into the matter and considered the evidence. He listened to all the calls between Advantage and Mr M and he concluded that he had not heard evidence to confirm that Advantage had been underhand or rude. He said; "*I'm satisfied Advantage was trying to help you at all times*". He did think that explanations could have been clearer about the excess deduction, how to reclaim it and issues around return of the car. His view however was that; "*the customer service provided during the claim period was at an acceptable level.*" He did not consider that the overall time-scale for return of the car was excessive.

The Investigator concluded that it would be unreasonable to ask Advantage to do anything more than it had already done.

Mr M considered that the Investigator had missed key points in his investigation, including the following;

- Mr M felt that both Advantage and the Investigator had missed the key point of his complaint, that he was not informed from the outset of his right to use a mechanic of his choice to assess and perform repairs.
- He felt that all complaint points should have been acknowledged, investigated and responded to by Advantage.
- Mr M said that Advantage did not discuss their findings, outcome and offer with him and opted to send money in the form a cheque which was highly inconvenient during the pandemic, although they had the details and the means to make a BACS transfer to his bank account.

A second Investigator considered two of these matters as follows;

- Regarding the opportunity for Mr M to use his own repairer, the second Investigator was of the view that there was no obligation to refer to the possibility of the policy-holder using his own repairer during the initial call and that it would have been too early to discuss whether the vehicle was repairable or a total loss. He said that this information was contained within the policy documents. As such, he didn't agree that Advantage had treated him unfairly regarding this matter.
- Regarding the compensation cheque, it was the view of the second Investigator that Advantage had acted in good faith and he did not think that it had treated Mr M unfairly. He agreed that they could have better considered the pandemic situation and discussed a more appreciate way of paying Mr M.

In response, Mr M thanked the second Investigator for being; "the first person to explain" why he wasn't informed of his rights to use his own mechanic during his initial call. He pointed out that one remaining point had still not been investigated by the Service and that point was that Advantage had failed to respond to all of Mr M's complaint points.

Mr M was unhappy with the outcome of his complaints to the Financial Ombudsman Service and wished for his entire referral to be reviewed by an Ombudsman. I have therefore looked at all the evidence, listened to all the phone-calls and read all the e-mails very carefully in my role as Ombudsman.

## **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 recognise Mr M's frustration and strength of feeling regarding his complaints. Following this very careful consideration however, I've decided that Advantage haven't acted fairly and reasonably in all respects. I've concluded however that the company's failings have been adequately reflected in the compensation amount of £150 which has already been paid by Advantage to Mr M. I appreciate that this will come as a huge disappointment to Mr M, however I don't intend to award a further compensation payment. I'll explain why.

I'll deal with each of Mr M's complaints in turn; -

### ***Mr M said he was made to feel that he was a nuisance.***

I've carefully listened to all the phone-calls between Mr M and Advantage. I'll go on to explain in the following paragraphs how I consider that Advantage could have done more to assist Mr M and to clearly explain claims processes. In each telephone call, Advantage's staff were polite and respectful. I didn't form a view that any Advantage staff treated Mr M as if he was a nuisance.

### ***Lack of information at the outset about using a garage of choice***

The starting point for the Ombudsman is to consider the policy-holder's insurance documents. I've looked at the introductory information to policy-holders and it advises policy-holders to read details of the policy carefully. In this case, the insurance policy explains that Advantage use a Nominated Repairer service and that; *"you can take your car to a repairer of your choice but if you do so you won't be entitled to the benefits available under the Nominated Repairer scheme."* It goes on to explain that; *"You'll also need to submit a repair estimate to your Insurer for authorisation before the work can start, which may delay the progress of your claim and the repairs to your car"*.

I concur with the second Investigator in this regard that there was no obligation on Advantage to provide a reminder or spell out the options during Mr M's initial phone-call to the company. Mr M's response to the second Investigator indicates that he appreciated the reasoning for the Investigator's conclusion in this part of the complaint. I don't consider that Advantage has acted unfairly or unreasonably therefore in this respect.

### ***Not being informed of his options or his right to dispute his car's write off.***

Advantage consider that it had explained how to dispute the write-off decision. They said that Mr M's claim ultimately proceeded on the basis of his successful challenge of the write-off decision.

I think that Advantage could have provided a better service in ensuring that Mr M received a clear and timely explanation of how to proceed where he'd expressed concern about the write-off decision of the nominated repair company. If a customer hasn't had previous experience of making an insurance claim, the process can be confusing, and it would be best practice for the process to be fully explained. Nevertheless, although there is scope for provision of a better service here, I don't think that Advantage acted unfairly or unreasonably and I'm satisfied that this complaint point alone would not normally attract compensation.

***Not being advised of the location of his car, how to retrieve it or how to go about getting it repaired.***

Advantage acknowledge that the issues around getting the vehicle back to Mr M should have been sorted straight away and at no point should he have been told that he would need to pay for the return of the vehicle.

I've listened to all the phone-calls in connection with Mr M's claim and I agree with Mr M that he received a poor service from Advantage in this respect. Advantage didn't provide clear and timely information to Mr M and also provided contradictory information regarding the return of his car. I am also of the view that once Mr M made the decision to challenge write-off of his car and not to use the services of the Nominated Repair company, that there had been a breakdown in communication for which Advantage was responsible.

In this respect, I do not consider that Advantage had treated Mr M fairly or reasonably.

***No clear explanation that Mr M would have to claim the excess from the third-party insurance company.***

Advantage agree that they didn't provide pertinent information to Mr M when the matter was handed back to it by its Nominated Repair company. The member of staff should have clearly explained that the repair company were no longer handling the claim and a policy excess would be payable.

Advantage acknowledge that Mr M should have been informed of deduction of an excess when Mr M called to inform Advantage of the total loss decision, because at this point, it was clear that it would be providing the final settlement in the claim.

Again, the starting point is the insurance certificate and policy and in relation to the excess, the certificate states: - *"Your excess is the part of a claim you have to pay, even if the damage or loss isn't your fault."* It then refers to the detailed explanation in the policy itself.

If a customer hasn't had previous experience of making an insurance claim, the process can be confusing, and the process should be properly explained by the insurance company. Nevertheless, I don't think that Advantage acted unfairly or unreasonably. It could improve its practice, but I'm satisfied that this point alone would not attract compensation.

***The amount of time taken to have the car repaired as a result of service failure***

Advantage say they paid Mr M the cost of repair for his vehicle minus the applicable excess 18 days after the incident was reported and 11 days after the file was handed back to them from the repair company, which they did not consider was an excessive amount of time for a claim to be finalised.

The company didn't address the complaint as to the overall time-scale however. I have considered the chronology of events very carefully. I very much sympathise with the distress and frustration caused by the train of events which Mr M had to endure following an event for which he was blameless. I must consider however whether the amount of time between the date of the accident and date of repair was unreasonable having regard to the specific issues in this case.

I agree with Mr M that, had the nominated repair company decided to repair the car or had Mr M arranged repairs himself, these may well have been carried out within a week. I've already found however, in relation to the first complaint, that Advantage didn't act unfairly or unreasonably in not reminding Mr M that he could use a garage of his choice.

On balance, I disagree with the first Investigator in as much as I do consider that the overall time-scales for resolving the matter were lengthy. I can't say that this unfortunate delay was due to the actions or inaction of Advantage however and their records show that they acted reasonably promptly at each stage of their involvement.

***Disappointment with the inaction, and then the response of a particular claims case-handler in relation to the engineer's report.***

Advantage agreed that the tone of part of the claim handler's email about the engineer's report was unnecessary. I agree that the emphasis used in the claim handler's email was unfortunate, however this wouldn't, in itself have led to any award of compensation.

***Mr M felt it had taken too long for this simple, cheap repair to have been processed correctly.***

I've addressed this point in my conclusions regarding the overall time-scale and I do agree that it had taken too long, however this was with the benefit of hindsight and after Mr M had rightly challenged a decision to write-off his car by Advantage's Nominated Repairer.

***He found some of Advantage's staff to be friendly, warm and helpful, but found more of them to be difficult, incompetent and rude.***

Advantage didn't provide a response to this part of Mr M's complaint. I've listened to all of the phone-calls and read all e-mails however, and I've not found any evidence that Advantage's staff had behaved in a manner which could be described as difficult, incompetent or rude. I found that the staff had been polite and patient on each occasion, although I've found in the previous paragraphs that they could have better explained the processes involved in making an insurance claim.

***The e-mail sent in error, which referred to an outstanding balance that remained to be paid.***

Mr M has stated that but for the remainder of his complaints, he wouldn't have felt it necessary to make this complaint; *"I would not have raised this policy cancellation issue as a complaint, these things happen and at no point did I feel insulted, just let down and a bit put out due to the amount of time it takes to speak with someone, due to the Covid-19 pandemic not Hasting Direct call centre"*.

Advantage apologised to Mr M for any inconvenience caused by the automatically generated letter about the adjustment payment following Mr M's cancellation of his policy.

It's my view that this was an administrative error which was quickly put right by Advantage and it quickly admitted its error. I don't consider that Advantage acted unfairly or unreasonably in this respect therefore.

***All complaint points were not acknowledged, investigated and responded to by Advantage.***

I agree with Mr M that it's unfortunate that Advantage didn't go through and respond to each of his complaints point by point.

I know that this will come as a disappointment to Mr M, however, having carefully considered each point, even if Advantage had provided a specific response, as I've explained in the

previous paragraphs of this decision notice, I wouldn't have upheld these particular complaints, and I've explained my reasons for this under each complaint heading.

***Advantage did not discuss their findings, outcome and offer with Mr M but opted to send money in the form a cheque rather than through bank transfer.***

I agree with the second Investigator that it would have been better if Advantage had liaised with Mr M about his preferred method of payment. I also consider that Advantage should also have talked to Mr M to explain their response to his complaint. Nevertheless, on balance, I consider that this is a learning point for Advantage in improving their customer service. I don't think that it was an unfair or unreasonable method of payment however and I don't uphold this part of Mr M's complaint.

Overall, although I uphold certain aspects of Mr M's complaint, I consider that the sum of £150 in compensation already paid to Mr M by Advantage, is a fair and reasonable sum to compensate for the distress and upset which these specific aspects have caused to Mr M due to Advantage's role in the matter.

I know that Mr M will be very disappointed with this decision as he feels strongly that he should receive additional compensation for the distress and worry he considers that Advantage have caused him. I do have every sympathy with Mr M regarding the trauma that he has suffered, however Advantage wasn't responsible for the distress and upset caused by the incident itself and for the damage caused to Mr M's car.

Accidents and damage to vehicles, resolving that damage and resolving the financial aspects are always stressful matters, especially if making an insurance claim is unfamiliar territory. A less than perfect customer service by insurance companies adds to that stress. I also appreciate that making a complaint can in itself be stressful and can bring back hurt and upset.

I do hope that this final decision will allow Mr M to put this episode behind him however and I also hope that his complaint will enable Advantage to improve their service to customers in future.

### **My final decision**

My final decision is that the settlement payment which Advantage has already made was fair and reasonable and I don't require it to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 April 2021.

Claire Jones  
**Ombudsman**