

## **The complaint**

Mrs J and her son Mr J are unhappy with Advantage Insurance Company Limited's actions in relation to their motor insurance policy.

## **What happened**

In November 2020 I issued my provisional decision setting out what had happened in this complaint, and how I thought it should be resolved:

*Mrs and Mr J had a multi-policy with Advantage meaning they're both insured under one policy. Mr J was involved in an accident in August 2019. The other insurer accepted liability, and the claim was recorded as non-fault. Mr J's car was written off, so he needed to get a new car. But Advantage had a system issue which didn't allow it to put the new car on the policy. Because of this, Advantage offered a pro-rata refund of the policy amount as it couldn't continue to insure Mr J with the new car.*

*Mrs and Mr J have been getting quotes elsewhere – and they've said these quotes are expensive. And while Advantage offered £350 for a data breach, they think it's only fair Advantage also covers the difference in premiums. Mrs and Mr J are also unhappy about the poor customer service they've been given by Advantage – so they complained about these issues.*

*Advantage replied to the complaint – in summary it said:*

- *The customer service has been poor*
- *It can't insure the new car due to a system issue, so will offer a pro-rata refund*
- *The claim is logged against Mr J, so Mrs J doesn't need to declare this*
- *It'll send compensation of £350 for what happened*

*Mrs and Mr J didn't accept this and asked us to look into things. One of our investigators did so, and ultimately felt Advantage had acted fairly by not charging them for all the days they were insured with it (Mrs and Mr J only paid for 167 days on cover, rather than the 203 they were actually on cover for) and paying £350 compensation.*

*Mrs and Mr J didn't accept this though. They said the financial loss Mr J has experienced hadn't been addressed. And the compensation was only for Mrs J, so Mr J also needs to be compensated. Because of this, the complaint's been passed to me to decide.*

## **What I've provisionally 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 think it's helpful to set out in this case that there are two key things Mrs and Mr J are claiming for – financial loss, and compensation for the issues they've experienced.*

Financial loss

*Mrs and Mr J are claiming for the additional cost of taking out policies in their sole names, rather than a multi cover policy in joint names.*

*The question then is, had they been able to move Mr J's new car on to the existing cover, would Mrs and Mr J have incurred the costs they have.*

*It's ultimately impossible to know. Advantage's system issues mean I can't ask it to test this question. And I can't ignore that now there has been a non-fault claim recorded, and it's a different car, that this is very likely going to change the risk Mr J would present to new insurer's – meaning the premiums may increase.*

*Mrs J has calculated the total losses as £379.63. And I asked Advantage to consider whether it'd be prepared to meet these costs.*

*Advantage said it wasn't prepared to meet these costs and explained if it couldn't provide a new policy then it probably couldn't add Mr J's new car to the existing policy. But Advantage also previously said it was due to system issues rather than not being able to add the car at all. So, it's given different explanations for why it couldn't add the car to the existing policy. And now it's also saying it can't evidence why it couldn't insure Mr J's new car.*

*I think it's unfortunate that we're never going to be able to know what the full and correct position should be. As Advantage have given different explanations and can't provide any evidence to back up its position, I think it's only appropriate to consider whether it should contribute to the additional costs Mrs J has calculated.*

*Advantage have said it doesn't think Mrs J's calculations are correct. That might be true, but because of Advantage's lack of evidence we can't get to a true position. Mrs J's calculations for the financial loss she says Mr J has suffered don't seem unreasonable to me if Advantage were fully responsible for the increase. So, if we accept this, but also accept there have been changes to the car insured and a non-fault claim has now been logged both of which can increase premiums, I think Advantage should pay 50% of the costs Mrs J has calculated.*

### *Compensation*

*Advantage have paid £350 compensation, and Mrs J has said this was solely to her for a data breach, and for time spent on the phone, so she wanted Mr J to be compensated as well.*

*We put this to Advantage, and it said it'd paid out £350 – which it understood was to both Mrs J, and Mr J as she was representing him. And it said they agreed to calculate the refund for the cancellation of the policy using 167 days on cover – not the 203 days on cover actually provided. And Advantage said it offered a hire car for Mr J. Because of these points, it didn't think it needed to do anything more.*

*When Advantage made the offer of £350 it said it was upholding the complaint because of an overall lack of assistance, incorrect process followed, call backs not completed and errors made on both the claims and policy side. This doesn't say the compensation is exclusively for Mrs J, though I accept she may have reasonably interpreted it that way. But I think it's fair to say this compensation is for all the issues experienced. And I don't think it was unreasonable of Advantage to pay this compensation thinking it'd be for Mrs J, and Mr J, to decide how this is split.*

*When the policy had to be cancelled, Advantage calculated the time on cover more favourably for Mrs and Mr J. Advantage said there were 36 days on cover which they refunded Mr J for but didn't need to. So I think it's only right and fair to take this into account.*

*I do think Advantage have caused a lot of problems on this complaint, but I'm also satisfied £350, combined with the extra refund from the time on cover, is sufficient. I appreciate Mrs J feels Mr J hasn't had any compensation, but I don't think Advantage need to do anything further on this point.*

#### *Other issues*

*A number of other concerns have come up, so I've addressed these below:*

- ***Does Mrs J need to declare a claim*** – it seems at one point Advantage had incorrectly recorded the claim in Mrs J's name. But they've now demonstrated it's been recorded correctly in Mr J's name. Mrs J will still need to pay careful attention to the question she's asked by future insurer's, but no claim is registered in her name.
- ***Mr J had to borrow money on a credit card*** – I understand why Mrs and Mr J would raise this point. But I can't say for certain Advantage would have insured Mr J, so I think the compensation of £350, 50% refund of the costs calculated and the extra refund for the time on cover is sufficient overall.

#### **Responses to my provisional decision**

Advantage replied and said they accepted my provisional decision.

Mrs and Mr J didn't accept my decision, they replied and in summary said:

- I'd incorrectly said they were claiming for the additional cost of policies in their sole names, rather than multi-car cover. They said they're claiming for the additional costs of Mr J's policy.
- Mr J's car was the same make, model and engine size just a year difference in registration, it's wrong he'd be penalised for a non-fault accident when Advantage recovered all the costs.
- Mr J had to move insurance companies after six months because of these issues which meant he had to start the year again working towards a year's no claims discount.
- They weren't sure how Advantage had calculated the number of days Mr J's car was on cover for.
- Advantage had said when replying to their complaint the issue was said it was a system error, but had told them for several weeks they couldn't cover Mr J's car. But, Advantage knew during this time it was due to system issues.
- Mrs J said she strongly believed the compensation was only for her - £250 for a data breach, and £100 for the hours taken to try and resolve this issue. She didn't feel Mr J had been compensated still.

Overall, they said the full amount of £379.63 should be paid, plus separate compensation specifically to Mr J.

#### **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 relation to what they're claiming for, my apologies it is just the additional costs of Mr J's car.

I understand Mrs and Mr J's frustration about the additional cost of premiums that may happen after a non-fault incident. But, even if it was the same make and model of car, it's still a different car, where the policyholder is now older, and has a non-fault incident recorded against his policy. This means insurer's may rate things differently – so I still can't reasonably say Advantage should be responsible for all of the extra costs. To me, it's possible Advantage may not be responsible for any of the additional costs that have occurred – and it's for this reason I thought 50% of the costs claimed for was fair, and still do.

As for the no claims discount Mr J had an accident and a claim was made. I've not seen anything to show his no claims discount was protected. So, as Mr J had to make a claim anyway, he would have lost his no claims discount even if he'd been able to stay with Advantage.

In respect of the number of days they were on cover for, Mrs J and Mr J have suggested this may be a few days out. But I think the key point here is Advantage refunded Mrs J and Mr J more than they were required to and it's important I take this into account when deciding a fair outcome overall.

The last two bullet points both to me relate to the compensation. I agree Mrs J and Mr J have been given different and conflicting information about what's happened here. So has our service. But, my focus is on the impact of this. Mrs J has repeated her assertion the compensation was only for her, not to compensate Mr J. But, I think the final response letter is clear in explaining the compensation is for the issues that were experienced. It doesn't say the compensation is only for the data breach and the hours of phone calls Mrs J made, as she says it does. From what I've seen, the compensation is for them, and how Mrs and Mr J choose to split this is a decision for them. And, even if I thought Advantage had said the compensation offered was just for Mrs J – I'd be comfortable it's fair compensation for all the issues in this complaint.

Taking everything into account, I've seen no reason to depart from my provisional findings.

### **My final decision**

It follows I partially uphold this complaint, and order Advantage Insurance Company Limited to pay to Mrs and Mr J half the costs she's calculated. I understand the £350 compensation, and additional refund of premiums, have both already been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Mrs J to accept or reject my decision before 20 January 2021.

Jon Pearce  
**Ombudsman**