

## **The complaint**

Mr L complains that Advantage Insurance Company Limited gave him incorrect advice about making a claim on his motor insurance policy.

## **What happened**

Mr L's car was hit and damaged by a stolen car. Advantage told Mr L that if he made a claim on his policy, then his No Claims Discount (NCD) would remain unaffected. Advantage paid Mr L a settlement for the loss of his car, but the other driver wasn't identified, and Advantage couldn't recover its outlay. So the claim was recorded as a fault and Mr L lost his NCD. Advantage paid Mr L £50 compensation for giving him incorrect information. But Mr L was unhappy with this and said if he had known this he wouldn't have made a claim.

Our Investigator didn't recommend that the complaint should be upheld. She thought that it was most likely that Mr L would have made a claim if he had been told of the effect on his NCD. And so she thought Advantage's compensation for its error was fair and reasonable.

Mr L said Advantage had told him that his NCD wouldn't be affected and it should stand by this. He said he thought Advantage had inflated the repair costs for his car and the damage had been minor. He said that if he had been given the correct information about his NCD then he wouldn't have claimed.

## **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 can understand that Mr L feels frustrated that he has lost his NCD. He's explained how this has affected him financially. And he's asked that I listen to his call with Advantage where he was given incorrect information, which I have done.

In this call, the agent explains that Advantage has identified a registration and an insurer for the stolen car. She said Mr L's car was a total loss and that Mr L wouldn't have to pay his £495 policy excess and Advantage would recover its outlay from the other insurer. The agent said Mr L could be provided with a courtesy car. She said the other insurer would recover its costs if it had identified the uninsured driver.

Mr L then asked how this would affect his NCD. The agent said his NCD wouldn't be affected. She suggested that Mr L protect his NCD in the future. The conversation then moved onto the car's valuation and next steps.

The agent explained that if Mr L decided not to claim, then the incident would be recorded as for notification only and his NCD would be unaffected. Mr L said he had previously been given incorrect information that his claim would affect his NCD as the other driver was uninsured.

Unfortunately, Mr L had been given incorrect information in this call. This was because Advantage's "Uninsured Drivers Promise" wasn't included in his policy. The police hadn't identified the other driver, and so Advantage couldn't recover its outlay from the other insurer.

When a business makes a mistake, as Advantage accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

I've firstly looked at the effect the incorrect information had on Mr L's decision about the claim. Mr L said that if he had been told that his NCD would be affected by the claim, then he wouldn't have made it. He said his car needed only minor repairs and he would have arranged these himself.

But this wasn't evident in the call I listened to. In the call, Mr L said that whilst his car looked repairable, the damage was evident when it was driven. And this was confirmed by Advantage's engineer who deemed the car to be undriveable. And I can see that the engineer's estimate of the repair costs compared to its value made the car a total loss. I haven't seen any further engineering evidence to contradict the engineer's estimate of the repair costs. So I can't say that these were inaccurate.

I think that if Mr L had been given the correct information again about his NCD, as he had in his previous call with Advantage, then he would still have gone ahead with his claim. From what Mr L has told us, the loss of his NCD increased his premium at renewal. But I'm satisfied that this is outweighed by his likely losses if he hadn't gone ahead with the claim. This is because he would have had to repair the car at a greater cost, and he wouldn't have received a settlement. So I can't say that the incorrect information affected Mr L's position.

In terms of impact, Mr L was pleased and surprised to be told that his NCD would be unaffected. So I can understand his disappointment when he was told this was incorrect. Advantage paid him £50 for this loss of expectation. I think that was fair and reasonable as it's in keeping with our published guidance. I don't require Advantage to do anything further.

### **My final decision**

For the reasons given 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 22 June 2022.

Phillip Berechree  
**Ombudsman**