

The complaint

Mr G has complained about the way Advantage Insurance Company Limited handled a claim he made under his car insurance policy.

All reference to the insurer Advantage in my decision includes its agents.

What happened

Mr G was involved in an incident on 31 October 2021 near to his place of work. This was a Sunday. Mr G explained that he regularly commutes to work, which is around a 180 mile round trip. He said he'd been staying for the previous two nights at a local guest house (GH). He said he regularly works six to seven days a week.

Mr G contacted his insurer Advantage to report the incident and to make a claim. Advantage arranged for Mr G's car to be recovered. It should have been recovered to an approved repairer (AR) but it was instead recovered to temporary storage. Mr G's car was recovered to an AR near his home address on 5 November 2021.

Mr G chased Advantage daily for a replacement car during this time. And he extended his accommodation stay as he believed a replacement car would be available within a couple of days.

On 5 November 2021, which was the following Friday, the AR offered Mr G a replacement car. Advantage accepts this was offered to Mr G three days later than it should have been – and so it said this was the delay it was responsible for. It said Mr G declined the offer. Mr G says he didn't decline the offer. He says the AR offered him a replacement car for Monday 8 November 2021. But they told him they wouldn't deliver the replacement car to his location as he was too far away and Mr G would therefore have to make his own arrangements to collect the replacement car. So Mr G arranged for a hire car for two days: from Saturday 6 November to Monday 8 November 2021. When Mr G contacted the AR on Monday 8 November 2021, he said they told him they no longer had a replacement car available for him.

Advantage said that between 5 and 10 November 2021 the AR inspected the damage to Mr G's vehicle and decided it was a total loss. Advantage said Mr G was made aware of this decision by 10 November 2021. And once his car was declared a total loss, Mr G wasn't entitled to a replacement car.

For the delay it caused, Advantage paid Mr G £65.

Mr G asked us to look at his complaint. He wanted Advantage to reimburse him for his losses which he says were due to the poor service it provided. Mr G said he stayed in accommodation for nine nights, so taking into account a two day allowance to arrange a replacement car, he'd like to be reimbursed for seven nights costing £280.

Mr G wants Advantage to reimburse him in full for his car hire costs, which came to £264.86 for two days from 6 to 8 November 2021 and £626.11 for 10 days from 11 to 20 November

2021.

In addition Mr G wants Advantage to provide a refund of the premium he paid for insurance for two months.

Our Investigator recommended Mr G's complaint should be upheld in part. He thought Advantage should reimburse Mr G for the car hire costs in full including any unclaimed car hire costs up until 3 December 2021 when a decision as to how to settle his claim was reached. But he thought Mr G could have mitigated his losses by arranging his own car hire sooner. So he didn't recommend Mr G's accommodation costs be reimbursed. He thought the compensation Advantage had paid of £65 was fair.

Mr G didn't agree. He said he couldn't have known how long it was going to take Advantage to provide a replacement car – he thought it would be a couple of days. He wants to be reimbursed in full for the accommodation costs.

Mr G says he hasn't asked for compensation for distress and inconvenience. But he clearly was by Advantage's poor service. He said that after he returned the second hire vehicle, he used his wife's car. He says this caused inconvenience for childcare arrangements and disruption to family life. So he believes a fair outcome is to have his costs reimbursed in full. Advantage didn't agree. It said Mr G was entitled to a replacement car for the duration of repairs. As his car wasn't being repaired, Advantage isn't responsible for car hire costs.

I issued a provisional decision on 6 June 2022. I intended to uphold it but made different recommendations to the Investigator. I thought Advantage should do the following:

- Reimburse Mr G in full for the costs he paid for car hire and in part for accommodation from 31 October 2021 to 5 November 2021 inclusive in line with the receipts he has provided from 6 November to 3 December 2021.
- Pay interest on the reimbursed amounts at a rate of 8% simple interest from the date Mr G paid to the date Advantage pays him.
- Reimburse Mr G for any other reasonable car hire or travel costs until 3 December 2021 with interest, subject to proof.

I said I would consider any new representations each party may wish to make before making a final decision.

Mr G accepted my provisional decision. He explained that his wife was caused inconvenience while he used her car. He would like consideration of compensation for that.

Advantage didn't reply to my provisional decision. So the case has been passed back to me to decide.

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 understand Mr G's comments in relation to the inconvenience caused to his wife. As the policyholder and complainant, I can only consider any distress and inconvenience caused to Mr G. For this reason my final decision remains along the same lines as my provisional decision.

Mr G's policy with Advantage says it will provide a replacement car while his car is being repaired. Advantage seem to accept that Mr G should have been provided with a replacement car from the date his car arrived at the AR and that a reasonable date for this to have happened was by 2 November 2021. It says it is therefore responsible for a delay of three days: from 2 to 5 November 2021. Advantage says Mr G was offered a replacement car on 5 November 2021 but declined it.

However, Mr G says that when he discussed a replacement car with the AR on the Friday (5th) to collect on Monday, he was told it couldn't be delivered to him as he was outside of the radius limit for the AR's area.

Advantage says Mr G's call with the AR aren't recorded. I can see from Advantage's notes on 1 November 2021 with the AR that it checked if recovery was possible given the location was outside its radius. So on balance, I'm satisfied that when Mr G discussed a replacement car with the AR on 5 November 2021 it's more likely than not he was advised of the radius issue in respect of the replacement car. So I don't think it's fair for Advantage to conclude that Mr G simply declined the offer of a replacement car.

Advantage says Mr G is responsible for mitigating his circumstances and so it says he could have chosen public transport to get home (or to the nearby AR) rather than car hire – in order to be able to receive a replacement car..

According to my checks on an online map website, Mr G would have to take at least three buses and two trains and taxis over a four hour period to get home from the location he was staying in. Mr G was travelling with equipment for work which would not have been practical to transport this way. I don't know how much a taxi would have cost for the whole journey – but this is likely to have been considerable as Mr G was 90 miles away from home. I can see that Mr G hired a small basic hatchback car for two days. I think he tried to mitigate his losses here.

So I think Mr G's decision to arrange alternative car hire from the evening of Saturday 6 to the morning of Monday 8 November 2021 was a reasonable decision to take – and I think Advantage should reimburse him for these costs with interest.

Advantage says Mr G was told by the AR on 9 November 2021 that his car was a total loss. However we know that Advantage then went on to instruct an independent assessor to inspect Mr G's car to decide if it was repairable.

So I don't think it's fair for Advantage to rely on this date in its timeline. When Mr G raised his complaint with us on 30 November 2021 he said he still hadn't received a decision from Advantage about how it intended to settle his claim. He said he should have still had use of a replacement vehicle.

I agree with Mr G. I think Advantage poorly communicated with Mr G. And given it accepted Mr G should have had use of a replacement vehicle from 2 November – I think this should have continued until it either repaired his car or told him it would write it off.

So despite Advantage telling Mr G in its response to his complaint on 11 November 2021 that he was aware his claim would be settled as a total loss by 10 November 2021, it's clear that Advantage wouldn't have settled Mr G's claim by paying him the market value for his car until over a month later. So I think it's within our inquisitorial remit for me to take this information into account even though it happened after Advantage replied to Mr G's complaint.

Mr G arranged further vehicle hire from 11 November to 20 November 2021. I think Advantage should reimburse Mr G for these costs in full with interest.

Mr G says that from 21 November 2021 to 3 December 2021 he had to use his wife's car which caused considerable inconvenience to the family with childcare arrangements as he has young children. Mr G says he hasn't asked for compensation for the inconvenience caused. But he believes he should be reimbursed for the costs of the accommodation and car hire in full.

In my provisional decision I said it wasn't clear to me why Mr G needed to stay in accommodation on 6 and 7 November 2021 as he had arranged his own car hire by that point. I don't think the reason for staying in accommodation for these nights was therefore caused by Advantage's delay as he was no longer stranded – and this is a commute Mr G says he regularly undertakes for work. He had previously stayed in the accommodation for work purposes. So while I think Advantage is responsible for covering the alternative hire car costs from 6 to 8 November 2021, I don't think it's also responsible for accommodation costs for the same period.

In response to my provisional decision, Mr G says he was advised to record all claims and stays, but accepts compensation isn't warranted for accommodation here.

While Mr G's circumstances don't exactly match, I've looked at what Advantage's policy says about cover for onward travel and accommodation when a claim is made. Advantage says it will pay up to £50 for each person, up to a maximum of £250, if Mr G can't continue his journey as a result of loss or damage to his car.

This can be spent on one of the following for Mr G and passengers in his car:

- Travelling expenses for people travelling in Mr G's car towards reaching their destination.
- One night's hotel accommodation for people travelling in Mr G's car on the day of the accident or loss if he has to make an unplanned overnight stop.

I've taken on board the daily rate of £50 when considering the costs Mr G paid for accommodation - as he wasn't able to continue his journey to reach his destination on Sunday 31 October 2021. And I think Advantage is responsible for a delay after this date. I think Mr G's response that he expected a replacement car to take a couple of days to arrive was reasonable. I agree Mr G couldn't have foreseen the delay when he made the decision to stay in accommodation near his workplace at the beginning of the week.

So I think a fair outcome is for Advantage to reimburse Mr G for his reasonable accommodation costs of £40 a night from Sunday 31 October 2021 to Friday 5 November 2021 inclusive, so for six nights totalling £240 with interest.

It seems Mr G was without use of a replacement car (when Advantage accepts it should have provided him with one from 2 November 2021) for longer than the periods he paid for his own hire car. I agree with the Investigator's recommendation for Advantage to reimburse Mr G for any other car hire charges he incurred until 3 December 2021. I understand from Mr G's response to my provisional decision there may not be any further car hire costs as he used his wife's car. But for completeness I have kept this provision in my final decision.

I think Mr G has shown that Advantage's poor service caused him inconvenience over and above what would be reasonably expected when dealing with a claim. I can see that Mr G made a number of calls to Advantage for updates on his claim and when he would receive a replacement car. However, overall I think the compensation Advantage has paid of £65 is a

fair sum in this case – along with my recommendations – and enough to resolve Mr G's complaint.

My final decision

My final decision is that I uphold this complaint in part. I require Advantage Insurance Company Limited to do the following:

- Reimburse Mr G in full for the costs he paid for car hire and in part for accommodation from 31 October 2021 to 5 November 2021 inclusive in line with the receipts he has provided from 6 November to 3 December 2021.
- Pay interest on the reimbursed amounts at a rate of 8% simple interest from the date Mr G paid to the date Advantage pays him.
- Reimburse Mr G for any other reasonable car hire or travel costs until 3 December 2021 with interest, subject to proof.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 August 2022.

Geraldine Newbold
Ombudsman