

The complaint

Mrs A complains that Advantage Insurance Company Limited mishandled her claim on her motor insurance policy.

Where I refer to Advantage or the insurer, I include employees, contractors and others insofar as I hold Advantage responsible for their acts or omissions.

What happened

The subject matter of the claim and the complaint is a hatchback car first registered in 2008. For the year from 23 May 2021, Mrs A had the car insured on a comprehensive policy with Advantage. She was the policyholder. The policy also covered her husband Mr A as a named driver.

Unfortunately, on 29 May 2021 (a Saturday), a third party damaged the rear of the hatchback while it was parked. Mrs A reported this to Advantage and authorised it to deal with her husband.

Advantage appointed a car hire company. That company repeatedly declined to provide a vehicle even after Mr A contacted Advantage to complain.

By about 21 June 2021, Advantage treated Mrs A's car as a total loss. Advantage settled the claim on about 2 July 2021.

After the complaint, Advantage didn't send a final response within eight weeks as it should've done. By a final response dated 16 September 2021, Advantage offered Mrs A the following:

Loss of use of hire vehicle 35 days @ £10.00 per day	£350.00
distress and inconvenience	£100.00
total	£450.00

Mrs A brought her complaint to us in November 2021.

our investigator's opinion

Our investigator said that he didn't have jurisdiction to deal with the complaint about the way the insurer handled the complaint as this wasn't about 'regulated activities'.

Our investigator at first recommended that the complaint should be upheld in part. He thought that £100.00 offered for the distress and inconvenience wasn't enough. He thought that the insurer should have compensated Mr and Mrs A £400.00. But he thought that the insurer had over-estimated the loss of hire as 35 days (£350.00) when it should've been 22 days (£220.00) – an over-estimate of £130.00. He recommended that Advantage should compensate Mr and Mrs A an additional £170.00.

The investigator changed his view. Our investigator didn't recommend that the complaint

should be upheld. He thought that at the time of the incident Mrs A had access to a sports car – albeit that her disabled mother was unable to get into it. So the impact and ‘loss of use’ would have been less than he originally thought. He thought that the insurer’s offer had been fair and reasonable.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mrs A and to Advantage on 8 July 2022. I summarise my findings:

I held Advantage responsible for the distress and inconvenience (including loss of use of a hire vehicle) that Mrs A suffered. That included not being able to take her mother out (as the sports car wasn’t suitable).

Mrs A wasn’t without a vehicle.

Advantage accepted the complaint and offered compensation. Advantage’s offer totalling £450.00 was somewhat more than I would otherwise have found fair. As it was in a final response, I was minded to find it fair to hold Advantage to its offer.

From what I’d seen, Mrs A declined that offer and Advantage didn’t make payment.

Subject to any further information from Mrs E or from Advantage, my provisional decision was that I upheld this complaint in part. I intended to direct Advantage Insurance Company Limited to pay Mrs A (insofar as it hadn’t already paid her) £450.00 for distress and inconvenience and loss of use of a hire car.

Mrs A disagrees with the provisional decision. Her husband says, in summary, that:

- Mrs A’s mum is a very frail lady in her eighties. She lives with them.
- Mrs A’s mum owned the car. She surrendered her licence due to bad health. Mrs A insured the car.
- The premium they paid was for all the benefits provided in the policy. That included a hire car. They cannot remember it saying if you have other transport it won’t be provided.
- Most days Mrs A would take her mum out. The car also carried her wheelchair and walking aids.
- It is not acceptable for mum to be confined to the house during this debacle.
- On 18 or 19 July 2022, they unexpectedly received a cheque for £450.00. Whilst they accept this as a part settlement, it is not closure for them.

Advantage hasn’t responded to the provisional 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.

From the policy documents, I see that cover was for social domestic and pleasure use of the hatchback. Mrs A said the car was owned by her mother. She said that there were a total of 3 vehicles and 2 drivers in the household. Mrs A said Mr A had his own car and she was a named driver. So I find that in addition to the hatchback, Mrs A had a car and her husband had a car that she was insured to drive.

From the policy documents, I haven't seen any promise by Advantage to provide a courtesy car or hire car in the event of a claim for repairs or a total loss. Mr A hasn't shown that a hire car was a benefit of the policy in such circumstances.

Nevertheless, Advantage led Mrs A to believe that it would arrange a hire vehicle. I've seen a standard communication from the car hire company to Mrs A saying that Advantage had appointed it to provide a hire vehicle and to arrange repairs. Advantage's final response assumed responsibility for the shortcomings of the car hire company.

Advantage has told us that the car hire company didn't provide any information about the complaint. So I find it likely that Mr A is correct that the company declined to provide a vehicle, giving administrative reasons that shouldn't have been a problem. Also, I accept that someone at the hire company was rude to Mr A.

I hold Advantage responsible for the distress and inconvenience (including loss of use of a hire vehicle) that Mrs A suffered. That included not being able to take her mother out (as the sports car wasn't suitable). As her mother wasn't the policyholder (or a named driver) I don't have the legal power to assess compensation for the distress and inconvenience caused to her.

I accept that Mr and Mrs A had to chase Advantage over a period of weeks before it sent its final response.

However, most accidents and insurance claims result in some distress and inconvenience. And Advantage dealt with Mrs A's claim in about a month.

Mrs A wasn't without a vehicle. Further, Advantage accepted the complaint and offered compensation.

I've weighed up whether Advantage's offer was fair in line with our usual approach or whether I would've awarded more compensation. I've decided that Advantage's offer totalling £450.00 is somewhat more than I would otherwise have found fair.

As it was in a final response, I find it fair to hold Advantage to its offer. From what I've seen, Mrs A declined that offer and Advantage didn't make payment. However, Mr A says that Advantage made payment unexpectedly in response to the provisional decision.

Putting things right

I uphold this complaint. And in case something goes wrong with the cheque payment, I direct Advantage to pay Mrs A (insofar as it hasn't already paid her) £450.00 for distress and inconvenience and loss of use of a hire car.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Advantage Insurance Company Limited to pay Mrs A (insofar as it hasn't already paid her) £450.00 for distress and inconvenience and loss of use of a hire car.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 23 August 2022.

Christopher Gilbert

Ombudsman