

The complaint

Mr H says after claiming on his motor insurance policy, he got poor service from Advantage Insurance Company limited and faced long repair times with an unsuitable courtesy car.

What happened

Mr H's car went into Advantage's garage in November 2021 and wasn't returned to him until June 2022. The garage said parts had to be ordered and weren't readily available. Mr H wasn't updated on progress with the parts for 17 weeks. Eventually he contacted the supplier and the manufacturer to get updates. Meanwhile, the replacement car Mr H was offered was too small for his family's needs, so he had to borrow a car and eventually bought a new one. In February 2022 Mr H saw the parts that were needed advertised online as new. No-one explained to him why they couldn't be used. Mr H also complained about long call waiting times and being mis-sold an add-on policy in 2018.

Advantage paid Mr H £50 compensation plus £10 for expenses for poor service and call waiting times. It said the terms of the add-on policy had been explained to him at the point of sale and it wasn't mis-sold. It said the delay in getting parts was outside its control and that of its garage. And it pointed out that the policy stated clearly if a consumer's car was being repaired, only a small 'class A' vehicle would normally be provided.

One of our investigators reviewed Mr H's complaint. She didn't think Advantage or the garage could be held responsible for the delayed parts, especially given the disruption caused by the pandemic. Nor did she think it was unreasonable for it not to use the parts advertised online – which she thought Mr H hadn't brought to its attention anyway.

In her view, Advantage did what was required of it under the policy in offering a class A car to Mr H. She thought it had shown that the add-on policy wasn't mis-sold. But in her opinion, contact with Mr H should have been better and he should have been updated regularly about the expected delivery time of the parts. She said Advantage should pay him £250 in total for poor service and consider any out of pocket expenses he'd had to pay.

Mr H said in response to the investigator's view that when the car was returned to him in June 2022, he had to send it back to the garage, as some sensors weren't working. He said at that point, he bought a new car, so he was paying to insure two vehicles. Mr H said he'd shown it was possible to trace the ordered parts and to provide regular updates. He pointed out that the policy said Advantage's garages may use parts not supplied by the manufacturer (or even recycled ones) so it wasn't clear why the online parts weren't considered. He said Advantage had only made one attempt to source a bigger car and that the policy wasn't fair, as the 'standard' repair time didn't apply in his case. As there was no agreement, the complaint was passed to me for review.

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've looked at whether the add-on policy Mr H bought (for substitute vehicle cover) was mis-sold. I don't think it was, as the advisor made it clear that the cover was limited to the situation where his car was written-off (or stolen and not recovered). Had that happened, he would have been entitled to a like-for-like car for up to 21 days.

I think it's clear why Mr H was frustrated with the class A car he was offered. It simply didn't cover his family's needs, so it wasn't of any real use. But I don't think Advantage can be blamed for that. The policy states that only a class A car is provided normally. Advantage has pointed out that there's a shortage of replacement courtesy and hire cars at the moment (caused by the loss of car production during the pandemic). I think that's a fair point – it affects many consumers whose cars have to be repaired. But in any event, in my opinion Advantage did what it was required to do under the policy.

Most insurers supply a class A replacement car as standard, but some policies have an option to upgrade to a larger vehicle for an extra cost. When he bought the policy Mr H didn't expect his car to be damaged, or to be off the road for months. But that happens from time to time. As a result, many consumers who know they'll want a larger than standard replacement car in the unfortunate event of an accident look for a policy that gives them the option of paying for one that's bigger than a class A model.

Mr H thinks Advantage should be required to vary the hire car term, depending on the particular circumstances. But it's already open to an insurer to provide a larger car to a consumer even when it isn't obliged to do so – assuming that one is available. I don't think there's anything inherently unfair in offering a class A car, in line with the policy terms – and I don't think there's any doubt that the pandemic has made a huge difference to the availability of hire cars. Advantage did look for a bigger car on one occasion (which it wasn't required to do). Mr H thinks it should have tried harder, but I can't say it acted unreasonably.

I don't think Advantage can be blamed for the time it took to get the replacement parts that were ordered just after the accident. The manufacturer told Mr H that numerous factories had closed due to the pandemic, causing huge supply problems with parts. I think it's fair to say that the world-wide shortage of goods has made a significant difference to the relatively short waiting times for parts prior to 2020. So to some extent I think Mr H was the victim of a set of very unfortunate circumstances. Many consumers will have found themselves in a similar position. But I think Advantage could have handled the situation better.

In my opinion, the level of service from the garage was poor. As he was left in the dark, Mr H was faced with an open-ended period during which he couldn't make any plans for travelling with his family. He faced ongoing upset and inconvenience. Mr H has shown that when he contacted the manufacturer, it was able to find out where the parts were and let him know what was happening with them on a regular basis. I don't think he's shown the updates meant the delivery of the parts was any quicker. But I think the garage should have given him more updates and managed his expectations. He may then have been reassured of its desire to provide good service and to complete the repairs as soon as possible.

Mr H found the required parts advertised for sale online in February 2022, but he wasn't told why the garage didn't follow it up. When we asked about it recently, Advantage said the parts had been paid for and the cost of ordering from a reputable source at an agreed rate (not the general public rate) was also a consideration. I think that's a reasonable explanation – and it would have applied equally to all consumers who had to wait a long time for parts. But I think Advantage should have advised Mr H about it at the time.

Advantage offered Mr H £50 compensation (plus £10 for expenses) given the poor service he got from the garage and the long waiting times when contacting an associated firm. The investigator thought £250 in total for poor service would be fair and reasonable. Mr H didn't disagree, but he thought some of the issues he'd raised hadn't been dealt with.

As set out above, I don't think Advantage mis-sold a policy to Mr H, that it was wrong for it to offer him a class A car, or that it was to blame for the delay in getting the ordered parts. I think much of the distress and inconvenience Mr H faced arose from those issues. Other issues arose later on (such as the car not being fully repaired on its return). They can only have added to his dissatisfaction with Advantage and its garage - but in this decision I can't deal with anything Advantage hasn't had the chance to address in the first instance. If Mr H isn't happy with Advantage's response to these extra concerns - should he decide to complain to it about them - he can contact us again in due course.

Taking everything into account, I think £250 compensation in total is a reasonable sum to reflect the upset and inconvenience that arose from the poor service issues that can be addressed in this decision. As for Mr H's out of pocket expenses, as far as I can see he hasn't provided specific expenses to Advantage. I'm unable to comment further on this, but it's something Mr H can raise with Advantage for its consideration.

I know Mr H will be disappointed with my decision. He thinks we've taken an unsympathetic approach in general to dealing with his complaint, and I understand why he may have reached that conclusion. I appreciate how hard he and his family found it to cope with the loss of their large car for such a long period. But what I have to consider is whether Advantage was responsible for all of the distress and inconvenience he faced.

As I've said above, I think it was partly responsible and that it and its garage provided some poor service, so there's no doubt that it should compensate him for that. But I also think a set of circumstances beyond Advantage's control made matters worse than they would otherwise have been. I sympathise greatly with Mr H, but I don't think it would be fair and reasonable to hold Advantage responsible for all the issues he's raised.

My final decision

My final decision is that I uphold this complaint. I require Advantage Insurance Company Limited to pay Mr H £250 in total for distress and inconvenience. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 October 2022.

Susan Ewins
Ombudsman