

The complaint

Mrs D complains about how Advantage Insurance Company Limited settled her claim on her car insurance following an accident.

What happened

Mrs D had car insurance with Advantage. In December 2020 she was involved in an accident when another vehicle collided with hers when she was leaving a roundabout. She made a claim on the insurance. However Advantage said there wasn't enough evidence to say that the third party driver was at fault and therefore decided to settle it on a 50/50 basis. This meant Mrs D lost her no claims discount and had to pay higher premiums at renewal.

Mrs D wasn't happy with this and made a complaint. She said that Advantage had ignored the photographs she had provided which showed that she wasn't at fault. Advantage didn't uphold her complaint so she brought it to this service.

Our investigator considered the issues and recommended the complaint be upheld. She said she thought Advantage hadn't fairly considered the evidence and therefore hadn't acted fairly by recording the accident as a 'fault' claim. She thought it should record it as 'non fault', restore Mrs D's no claims bonus and pay her £300 to make up for the distress and inconvenience it caused her.

Advantage reviewed the evidence again and agreed the claim should be registered as 'non-fault'. It therefore agreed to our investigator's recommendations.

However Mrs D didn't think our investigator went far enough. She said she had paid increased premiums while the claim was registered as 'fault' and this should be refunded. And it wasn't fair that she had to wait until the matter had been settled before the claim was changed to 'non-fault'. She asked for the complaint to be reviewed by an ombudsman.

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.

Mrs D's policy contains a term that allows Advantage to take over the defence and settlement of a claim where it sees fit. This is a term that appears in most car insurance policies and it means the insurer may reach a decision that the policyholder disagrees with or it may choose not to pursue its costs from the other side. It's my role to consider if it has acted fairly and reasonably when making its decision on how to settle the claim, based on the available evidence.

Since the complaint has come to this service, Advantage has agreed that its initial claim decision wasn't reasonable. And has agreed the claim should be registered as 'non-fault'. From looking at the photographs provided by Mrs D, and the layout of the road where the accident took place, I agree this is a fair decision. As the images support Mrs D's account that she remained in the correct lane when exiting the roundabout and the third party

changed lanes and consequentially drove into the front of her car. So I agree that Advantage should register the claim as 'non-fault'.

Advantage's initial decision to register the claim as 'fault' has caused Mrs D distress and inconvenience. She has had to continually contact it to try and get it to consider the photographs she provided as part of the evidence. And she has been left with a 'fault' claim on her record for a long time which has made purchasing insurance difficult and more costly. I therefore agree with our investigator that Advantage should pay Mrs D £300 compensation to apologise for the distress and inconvenience it has caused her.

Mrs D has said that during the time the claim has been ongoing she has had to pay a higher premium for her policy. And she thinks Advantage should refund the difference in the amount she has paid due to having a 'fault' claim registered against her. When claim liability is being decided, it is usual that the claim will be registered as 'fault' until a final decision is made. And once the liability has been agreed at the end of the claim, the insurer will look at refunding any difference in premiums that were paid due to this. So I'd expect Advantage to consider this once the claim is registered as 'non-fault'. This is the usual process for a claim to follow, so I don't agree it would be fair to ask Advantage to depart from it. Should Mrs D be unhappy with its decision on this once it is made, then she could raise a complaint and bring it to this service to consider if necessary.

My final decision

For the reasons I've given, I require Advantage Insurance Company Limited to:

- Mark Mrs D's claim as bonus allowed (non-fault) on their records and the Claims and Underwriting Exchange (CUE).
- Reinstate Mrs D's no claims discount accordingly.
- Pay Mrs D £300 compensation.

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

Sophie Goodyear
Ombudsman