

## **The complaint**

Miss M's unhappy with how Advantage Insurance Company Limited (AICL) set up a new car insurance policy for her.

All references in this decision to AICL include its appointed agents.

## **What happened**

In June 2022 Miss M contacted AICL to change the car that was insured on her policy up until that time. AICL was ready to set up a new policy to reflect the change but issues with collecting the direct debit for the premium meant it didn't start as planned. The new policy wasn't set up until around five weeks after she first contacted AICL about the change of car.

Miss M complained to AICL about the service it had provided her with. AICL agreed that its service had been poor and so offered her £50 as compensation.

Unhappy with AICL's response, Miss M complained to this service. Our investigator looked into the matter and recommended that the complaint should be upheld. They asked AICL to pay Miss M an additional £150, making a total of £200 in compensation taking account of the impact of its errors on her.

AICL didn't agree with the investigator's findings. It accepted that there had been failings on its part but still thought its offer was a fair reflection of its actions. As such, the complaint was passed to me to review afresh.

## **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.

It's not in dispute that AICL's fallen short of the standards Miss M reasonably expected to receive regarding her policy. The issue for me to consider is whether £50 represents fair compensation for the impact of its actions on Miss M.

Having done so, I've decided to uphold the complaint and to require AICL to pay a further £150, so £200 in total. I'll explain why.

From the information that's been made available, I can see that AICL wasn't directly responsible for the initial non-collection of the relevant direct debit. But it still made numerous errors over several weeks which I'm satisfied caused Miss M a considerable amount of frustration and upset. I'm satisfied AICL was responsible for those subsequent errors.

These errors include, but aren't limited to:

- Not being clearly told multiple direct debits would be collected from her account within a matter of days, causing Miss M worry about her finances.

- Miss M being led to believe – for example via AICL’s app – she had an outstanding debt when that wasn’t the case.
- AICL incorrectly informing Miss M it would be cancelling the policy, just after being told it had finally been set up and several weeks after she’d first tried to arrange it.

I’ve thought very carefully about whether AICL’s offer represents fair compensation for Miss M given the difficulties she experienced through no fault of her own. It may be that one of the errors AICL made along her journey in isolation warranted a lower level of compensation. But I’m satisfied that, when taken as a whole, the impact of the service Miss M received overall justifies a higher award.

In the circumstances, I don’t consider that £50 as offered by AICL adequately reflects the frustration and upset Miss M’s been caused throughout the process of changing her policy. I think AICL largely exacerbated what was already a difficult situation for Miss M given the initial issue with the direct debits and its effects. I consider that AICL’s actions resulted in unnecessary worry, inconvenience, and administrative work for Miss M when she’d reasonably expected the handling of her policy would be dealt with in a professional and timely manner. Instead, the information shows she felt repeatedly let down by AICL.

### **Putting things right**

I require AICL to pay Miss M £200 in total (that’s including the £50 I gather it’s already paid her) as compensation for the overall distress and inconvenience its actions have caused her.

### **My final decision**

For the reasons given, I’ve decided to uphold this complaint. I require Advantage Insurance Company Limited to put things right for Miss M as explained above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss M to accept or reject my decision before 20 January 2023.

Nimish Patel  
**Ombudsman**