

## **The complaint**

Mrs B says Advantage Insurance Company Limited didn't ensure that repairs to her car were completed properly when she made a claim on her motor insurance policy.

## **What happened**

One of Advantage's approved windscreen repairers ('firm N') fitted a windscreen to Mrs B's car in September 2021, but as it was fitted badly, water got into the car and flooded the footwell. Firm N sent several technicians to inspect and / or to rectify the work over the next few months. After the windscreen was refitted, a whistling noise started. And during a repair attempt in February 2022, a technician damaged the car's paintwork and headliner when applying a primer and glue using a knife.

Mrs B made a formal complaint to Advantage in February 2022, having kept it updated on the poor repair attempts before that. In March 2022 Advantage asked an independent engineer to inspect the car. He said the cause of all the damage was the windscreen repair. He noted that Mrs B had taken her car for an inspection of the damp and its cause by 'firm H' recently and that its report said there was no sign of remaining water damage by then. But he estimated the cost of the repairs to the paintwork and headliner to be over £2,000.

On 25 April 2022 Advantage agreed to pay for the repairs, once Mrs B submitted an invoice from a garage of her choice. It also offered her £225 compensation. Mrs B can show that she sent the invoice to Advantage on 28 April 2022, but she got no response.

Mrs B told us she'd planned to sell the car in December 2021 (as she'd previously ordered a new one to be delivered at that point) but she couldn't do so, given the damage to it. A sale was agreed in May 2022 (at £28,500) but Mrs B says that wasn't the car's full market value, as it was sold in a damaged state. Initially she wanted Advantage to pay for all the repairs, but Mrs B said later on that she thought it should pay for the car's loss of value instead, and for the damp inspection / report she'd had done, plus compensation. Mrs B doesn't think Advantage should record the claim, given that what led to it wasn't her fault.

One of our investigators reviewed Mrs B's complaint. He noted that she'd paid for finance on the new car from December 2021 and had to continue paying the finance instalments on the older car until it was sold. He thought Advantage should refund the latter payments to Mrs B. He also thought it should pay for the damp investigation report and raise the compensation for distress and inconvenience to £350. Advantage asked for evidence that Mrs B's car was sold at a loss, given that similar vehicles to hers were on sale for less than she was paid for her car. It said Mrs B hadn't tried to mitigate her losses by trying to sell the car earlier. And it said she should have chased it for a response to the invoice. 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.

Advantage says Mrs B should have mitigated her losses, so we asked her why she didn't pay for the repairs to the car herself and claim the cost back from Advantage. She said all her savings were used on the £6,000 deposit for the new car in December 2021. Mrs B told us it wasn't an option to postpone the purchase either, as the new car's price rose each month and there was a waiting list for cars of its type. I think her explanation is reasonable.

Although I think Mrs B *could* have put the car up for sale in December 2021 (given the significant extra expense she was facing from then onwards) I understand why she didn't do so. Attempts were still being made to repair the windscreen - and the car was damp. I think it was reasonable in that situation for Mrs B to assume that it wouldn't sell for its full market value. I also think it was reasonable for her to expect that effective repairs would be done early in 2022 - at no cost to her. Mrs B didn't know that the repairs would drag on for so long - or that extra damage would be caused to the car during rectification work in February 2022.

Mrs B's main financial loss was caused by paying for the finance on two cars at the same time. In my opinion, Advantage is responsible for that. I don't think a windscreen repair done by its repairer in September 2021 should have caused problems that were still ongoing well beyond December 2021. Advantage says the service Mrs B got from firm N was appalling, and I agree. But had it been more proactive in dealing with firm N's actions I think the issues could have been resolved much more quickly and Mrs B could have sold her car earlier.

Advantage didn't take full responsibility for the situation until April 2022. I don't think Mrs B not chasing its lack of response to the invoice she submitted that month is significant. The main point is that she can show she got the estimate, as requested, and sent it in promptly.

Mrs B told us her car would have been worth £32,000 in May 2022 (rather than the £28,500 she got for it) had it not been damaged. She thinks Advantage should pay for the reduction in its value. Mrs B didn't provide any evidence to support her view, so we checked the national trade guides' estimates for Mrs B's car. The guides are based on extensive national research, and we think they reflect likely market value selling prices reliably. In September 2021 the average sum quoted by the guides for Mrs B's car was £28,348. In May 2022 it was £27,966. So it seems the damage didn't lead to a loss in the car's value.

To put matters right, I think Advantage should pay for the £120 damp investigation / report (plus interest) as it was a reasonable expense for Mrs B to incur. And I think it would be fair for it to pay Mrs B £350 compensation for distress and inconvenience. I think Advantage should also refund the relevant finance payments, for the reasons set out above. Although it's an uninsured loss, we can consider any financial losses that arise as a direct result of delays caused by an insurer and were reasonably foreseeable. Mrs B told Advantage months earlier that she'd ordered a new car for delivery in December 2022. In my opinion, Advantage's delays deprived her of the chance to sell her old car at that point.

I think it's reasonable for Advantage to record Mrs B's claim on her policy. I know she doesn't think that's fair, but many consumers make claims that aren't caused by any fault on their part, and even non-fault claims are recorded.

### **My final decision**

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

- Refund Mrs B for the cost of the £120 damp investigation / report. Add interest to that

sum, at the simple yearly rate of 8%, from the date of payment to the date of settlement

- Refund the £379 monthly finance payments made by Mrs B from December 2021 to May 2022. Add interest, at the simple yearly rate of 8%, from the date of each payment to the date of settlement
- Pay Mrs B £350 compensation in total for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 3 April 2023.

If Advantage thinks it's required by HM Revenue and Customs to withhold income tax from the interest, it should tell Mrs B how much it has taken off. It should also provide a tax deduction certificate if required, so she can reclaim the tax if appropriate.

Susan Ewins

**Ombudsman**