

The complaint

Mr F complains that Advantage Insurance Company Limited delayed providing him with a courtesy car following a claim made on his motor insurance policy. He wants reimbursement of his car hire costs and compensation for his expenses and lost earnings.

What happened

Advantage took Mr F's car for repairs, but it was unable to provide him with a courtesy car for 16 days. Mr F said he was unable to go to work. He took taxis and borrowed a family car for a few days. And then he hired a car for four days when his job changed. Advantage then provided him with a courtesy car, but Mr F had to make a 400 mile round trip to swap it. Mr F wants reimbursement of his hire costs and compensation for his expenses and lost earnings.

Advantage paid Mr F £100 compensation for his loss of use for nine days until he was able to borrow his parent's car. But it said it wasn't responsible for his other losses as Mr F didn't have business cover on his policy. And it said Mr F hadn't complained to it about having to swap the car.

Our Investigator recommended that the complaint should be upheld. She thought Advantage wasn't responsible for Mr F's lost earnings as he could have mitigated his losses. But she thought it should have provided a courtesy car. She thought Mr F was commuting and so his policy covered his use of the car. She also thought our inquisitorial role permitted us to look at Mr F's related concerns. And so she thought Advantage should reimburse Mr F's hire costs of £265.73 and pay him £200 further compensation for the cost and trouble of having to swap the courtesy car.

Advantage replied that Mr F was travelling to more than one fixed place of work, so he required business cover.

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.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

Advantage has told us that Mr F was entitled by his policy's terms and conditions to be provided with a courtesy car from two days after his car was collected by its approved repairer. But it didn't provide this until 16 days later. Advantage paid Mr F £100 compensation for his loss of use for nine days. But it declined to pay any further compensation as it said Mr F was then not covered by his policy's terms of use.

I can see that Mr F's certificate of motor insurance states:

"Limitations as to use

What's covered:

- *Social, domestic and pleasure use.*
- *Travelling to and from one permanent place of business or study.*

What's not covered:

• *Trade, business and professional use and any use connected with the motor trade, hire or reward."*

Business use isn't defined within the policy booklet, but Advantage has directed us to more information on its website. Advantage said that Mr F does not travel to one single permanent place of business and therefore the class of use on his policy, which covers commuting, is not valid. It said Mr F required business use, as he does not have a single permanent place of work.

But I disagree for the following reasons. I consider that "Travelling to and from one permanent place of business..." would mean Mr F could drive to and from the location of his job. Mr F has explained that he is a contractor and his place of work changes with a new contract. Each new project is a new contract for Mr F, not a continuation of a role with one company. So I'm satisfied that Mr F has one specific location for each job.

If I were to follow Advantage's reasoning, this would mean that a policyholder could only travel to one fixed location of business for the term of the policy. So any policyholder who had commuting cover and changed their job during the term of the policy would need business cover, as they'd now be driving to a different location of business. But I can't see that the policy requires this.

I consider that Mr F is covered by his policy to commute to his place of work. I think Advantage was responsible for providing Mr F with a courtesy car whilst his car was being repaired. But it didn't do this. I think Mr F reasonably mitigated his losses at first by using taxis and borrowing a car. And I can't reasonably hold Advantage responsible for his loss of earnings at this time as he could have done this sooner.

But these arrangements couldn't continue when Mr F's new work place was further away, and he had to hire a car for four days for the commute. And I think Advantage should reasonably refund Mr F these hire costs he paid in order to get to work.

Advantage then provided Mr F with a courtesy car. But this had to be returned and replaced after some days as it needed an MOT. I think this was reasonably avoidable. But it meant that Mr F had the trouble and costs of making an otherwise unnecessary 400 mile round trip.

Advantage has said that we shouldn't consider this concern as Mr F hasn't complained to it first. But I'm satisfied that it's within our inquisitorial remit to consider concerns that are intrinsically linked to the initial complaint. And so I'm satisfied that I can consider this here.

Our Investigator recommended that Advantage should pay Mr F £200 further compensation for this trouble and cost. And I agree as this is in keeping with the redress recommended by our published guidance for similar situations.

Putting things right

I require Advantage Insurance Company Limited to do the following:

1. Pay Mr F's hire car invoice of £265.73 (invoice can be supplied if required).
2. Pay Mr F a further £200 compensation to cover the inconvenience and costs incurred by having to make the unplanned journey to swap the courtesy car.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Advantage Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 14 February 2023.

Phillip Berechree
Ombudsman