

The complaint

Mr B complains that Advantage Insurance Company Limited mishandled a claim on his motor insurance policy.

What happened

The subject matter of the claim and complaint is a luxury car, first registered in 2002. Mr B acquired the car in about 2018.

For the year from June 2021, Mr B had the car insured on a comprehensive policy with Advantage.

Unfortunately, in late May 2022, a third party caused damage to the car. Mr B made a claim to Advantage. At first, Advantage thought the car might be a total loss. But by about 8 June 2022, Advantage had decided the car was repairable.

In mid-June 2022, Mr B complained to Advantage about lack of contact and delay in repairs. By a final response dated 23 June 2022, Advantage apologised and said it would send £75.00.

Mr B complained further about delays in repairs. By a further final response dated early July 2022, Advantage apologised and said it was sending £50.00.

Mr B brought his complaint to us in late July 2022.

Our investigator recommended that the complaint should be upheld. He thought that Advantage's offer wasn't enough. He said that Mr B was forced to drive a car that was potentially unsafe for road use, and this would cause a large amount of trouble, upset and stress to him. The investigator said that Mr B then had to manage the claim through the third party due to Advantage's poor level of service.

The investigator recommended that Advantage should increase its offer to a total of £300.00.

Mr B disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- An employee of the third party drove a van into the car while it was parked. The third party broke the law by saying the owner of the policy in his private car had caused the accident.
- The contract states he will get a replacement car.
- Advantage would not provide him with any car.
- The third party or their insurer provided a car for him to get around in.
- The third party's insurer took the damaged car away and paid him for it.
- He is disabled so cannot just jump on a bus.

- Advantage didn't even reply to his emails.
- He did all the work, such as contacting and sending photos to the third party.
- He was ignored so many times that £300.00 pounds just doesn't cut it. £1,000.00 looks more realistic.

Advantage also disagreed with the investigator's opinion. It says, in summary, that:

- If the car was unsafe to drive, then it wouldn't be reasonable for Mr B to continue to drive it. So it isn't fair to direct compensation for this.
- £300.00 is not fair/reflective of the true impact caused.
- The compensation totaling £125.00 is fair.

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.

This final decision is about the acts and omissions of Advantage. I make no findings on any incorrect or unlawful statements by the third party, save that I don't hold Advantage responsible for the acts or omissions of the third party.

Part of this complaint concerns the actions of a car hire company. As Advantage has accepted that it appointed the car hire company to manage the claim, I consider that Advantage is accountable for the acts or omissions of the car hire company. In my decision, any acts or omissions of the car hire company are referred to as acts or omissions of Advantage, insofar as I hold Advantage responsible for them.

The policy schedule said that Mr B was unable to work due to disability. So Advantage knew he had a disability.

Advantage's policy terms included the following:

"About the replacement car service

- *You won't be eligible for a replacement car if your Car is stolen or considered to be a Total Loss/write-off*
- *The replacement car service is only available if you use your Insurer's Nominated Repairer*
- *The replacement car will be provided by your Insurer's Nominated Repairer*
- *The service is only available while your Car is being repaired*
- *The replacement car will usually be a group A vehicle..."*

So Advantage was only obliged to provide a replacement car while the nominated repairer had the car for repair. And the replacement car would be a small hatchback.

The accident itself was, in my view, likely to cause upset and inconvenience to Mr B. That included making a claim and providing information.

However, I can see that Advantage's service fell below a reasonable standard and this caused Mr B extra distress and inconvenience at an already difficult time for him.

From what Advantage said in its first final response, I consider that there had been inadequate communication and an unnecessary delay between about 8 and about 22 June 2022.

I've noted that the first final response included the following:

"[our agents] have deemed the vehicle to be unroadworthy so driving the vehicle would be down to your discretion."

So – knowing that its agents had said the car was unroadworthy – Advantage had suggested that Mr B could drive the car at his discretion. I don't find that fair or reasonable.

And Advantage still hadn't arranged repairs by the date of the second final response in July 2022. So I consider that Advantage was responsible for further delay in arranging repair.

From what Mr B has said, the third party provided a replacement vehicle for some time before settling with Mr B on the basis of a total loss.

I've thought about the impact on Mr B of Advantage's poor communication and the delays in repairs. I consider that the impact included leaving Mr B with a damaged car and the worry about whether he could safely drive it. I consider that the impact also included Mr B feeling so ignored that he had to deal with the third party's insurer.

Putting things right

Overall, I agree with the investigator that it's fair and reasonable to direct Advantage to pay Mr B – in addition to its payments of £75.00 and £50.00 – a further £175.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I direct Advantage Insurance Company Limited to pay Mr B – in addition to its payments of £75.00 and £50.00 – a further £175.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 March 2023.

Christopher Gilbert
Ombudsman