

## **The complaint**

Mr S complains about how Advantage Insurance Company Limited handles a claim he made on his commercial vehicle insurance policy.

Reference to Advantage includes its agents.

## **What happened**

Mr S held a commercial vehicle insurance policy with Advantage. When his van was stolen he made a claim for the loss.

Mr S complains about that claim. He says it took too long to settle. He says he made the claim in April but it wasn't settled until September. He says he was told he'd get a hire vehicle but never did. He said this caused inconvenience because he was without his van which he needed for work. He's said this meant he had to get a second job.

Advantage said some of the delay was because of the van being in police custody after it was recovered. It said Mr S wasn't entitled to a hire vehicle because his vehicle wasn't repairable. But it said it tried to source one but was unable to due to a nationwide shortage of them at the time. It offered Mr S £100 compensation initially. It then increased that offer to £250.

But Mr S remained unhappy and brought his complaint to us.

One of our investigators recommended the complaint be upheld. She acknowledged some delay was out of Advantage's control. But she thought it should pay Mr S £10 per day for the time he was without his vehicle which it was responsible for and settlement of his claim. She also recommended it increase its compensation to £500.

Mr S agreed, but Advantage didn't. It didn't think Mr S had evidenced his losses. So, the complaint has been passed to me.

## **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.

Having done so, I'm upholding it. I'll explain why.

- Mr S's vehicle was stolen in April 2022. But it spent over a month in police custody. This isn't Advantage's responsibility, so it need do nothing regarding this.
- But Mr S's vehicle wasn't collected until two weeks after it was released. Advantage then thought it to be repairable – so a courtesy/replacement vehicle should have been arranged at this time.
- There were further delays in appointing a repairer and ultimately another engineer

was appointed who then deemed the car a total loss. After this a settlement was made to Mr S for the market value of his vehicle and the claim was settled.

- Technically speaking, Mr S is only entitled to a hire/courtesy if his is repairable, and his vehicle was never repaired, nor did repairs commence. But, for the majority of the time Mr S's car was with Advantage, it was thought to be repairable, and it was off the road. So, I think the fair and reasonable thing to have done would have been to put Mr S in a hire vehicle during this time. I appreciate Advantage struggled locating one, but it should have done something else to assist.
- £10 a day for loss of use is a reasonable starting point, and I'm satisfied that fairly applies here. Advantage and our investigator calculated this to be 76 days. So, Advantage should pay Mr S £760 for loss of use while he was without his vehicle.
- Mr S said he needed his van for work. And he says without it he lost out on clients and income. He's not been able to quantify that loss, and Advantage has pointed out he got a second job. So, I'm not going to require Advantage to pay for loss of income. But while getting a second job mitigated Mr S's losses, it will have no doubt added to the distress and inconvenience experienced throughout this claim.
- After the claim, the policy lapsed – because there was no vehicle to insure. But Advantage still took payments which they said were in error. Mr S had to chase a number of times for the refund, which added to the distress and inconvenience.
- Advantage later renewed Mr S's policy – despite there being no vehicle to insure. But because Mr S had cancelled the direct debit previously, so it wrote to him chasing a balance it was never due. It admitted this error, but this too will have added to the distress and inconvenience Mr S experienced.
- I'm satisfied £500 compensation for the distress and inconvenience is reasonable in the circumstances of this complaint. There were delays in settling the claim which Advantage are responsible for. Mr S was without a vehicle for the duration, affecting his work and meaning he had to take up a second job. And after the claim there were issues with Advantage taking and chasing payments it shouldn't have.

### **My final decision**

For the reasons set out above, I uphold this complaint. To put things right, I require Advantage Insurance Company Limited to:

- Pay Mr S £760 for loss of use of his vehicle
- Pay Mr S at total of £500 compensation for the distress and inconvenience caused set out above.

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

Joe Thornley  
**Ombudsman**