

The complaint

Mrs S complains about how Advantage Insurance Company Limited handled her motor insurance claim.

Mrs S is a named driver under the policy with Advantage and owner of the vehicle insured.

What happened

The details of the claim are well known to both parties, so I won't repeat them again here. Instead, I'll summarise the background and focus on the recommendations made since the matter has been with this service and the reasons for my decision.

On 20 January 2022, Mrs S says she was in a pharmacy and, when she left to go back to her car, she couldn't find her car key. At the time, she said she was struggling with her daughter who was unwell and has severe mental and physical disabilities, so she decided to get a taxi home instead of continuing to search for the key. As a result of the situation, she wasn't sure if she'd lost the key or misplaced it. And she says she didn't recognise even a tiny possibility the car would be stolen as she'd left several important and valuable items in her car including a tablet, wallet with £230 cash, laptop, pram, new mobile phone items worth £100, store vouchers worth almost £500, personal documents and bank cards.

On 22 January, the police pulled her vehicle over and realised it had been stolen. However, Mrs S says she didn't realise this until two days later when she returned to the pharmacy on 24 January to get her car with the spare key and found it was missing. In that time, Mrs S says she was focused on her daughter's health and didn't even contact her bank to check on her cards which shows she didn't recognise any risk of the car being stolen.

Advantage contacted Mrs S after it received a notification of the recovered vehicle from the police. Mrs S then made a claim on the motor insurance policy for the damage caused to her car as well as the items which had been left in it.

Advantage reviewed the claim and, ultimately, declined it. It said, although Mrs S reported the loss of her key to the police, it couldn't find any evidence she'd tried to notify it as her insurer. The engineer's report confirmed the key was found in Mrs S's car and had been used to steal it. As a result, Advantage concluded the key had either been left in the car or dropped close to it. Therefore, it considered Mrs S breached the policy term requiring her to '*protect her car from damage or loss*'. This is because Mrs S was aware the car key was outstanding, and she didn't make any attempts to safeguard her car or mitigate the risk of it being stolen. The key was then used to steal her car.

Mrs S complained to Advantage. It didn't change the decision although it paid £50 to Mrs S for the time it was taking for it to decide her claim. Mrs S was unhappy and brought her complaint to this service.

An Investigator reviewed matters and thought Advantage had acted fairly and reasonably in declining the claim. They explained if Mrs S had contacted Advantage on realising her key may be lost, they would've been able to take action to prevent the theft. For example, they

could've instructed a roadside assistance patrol to tow the car away within 90 minutes. Instead, Mrs S failing to notify it and leaving the car for four days in the location where the key had been likely lost left it vulnerable to theft. Notwithstanding this, the Investigator compiled a detailed timeline of events and noted Advantage had caused avoidable delays of three months in total. And, although this didn't change the outcome of the claim, it caused considerable emotional distress to Mrs S, who was vulnerable. So, the Investigator recommended Advantage pay £250 in addition to the £50 already paid, a total of £300.

Advantage accepted the recommendation, but Mrs S didn't agree this was enough. She said she had experienced further financial losses because of the three months of avoidable delays. This includes the following:

- Car tax, insurance and MOT costs (as this had expired when the car was returned).
- The cost of a new battery as hers had gone flat by the time the car was returned.
- £2,000 to cover transport costs including taxis for her and her disabled daughter to attend medical appointments during this time while she was pregnant.
- Further compensation for the impact of the delays on her and her daughter.
- The loss in value of the car as she could've sold it if it'd been returned sooner.

The Investigator considered this and recommended Advantage pay Mrs S a loss of use payment for the time which she was without her car as a result of the avoidable delays. The Investigator calculated this to be 80 days at £10 a day which is what is generally considered reasonable. However, the Investigator didn't ask Advantage to cover the cost of the battery or any sale price for Mrs S's car as there was no evidence to support this. Further, she considered the insurance costs, tax and MOT were part of the normal running of a car which she'd have needed to pay to have use of it.

Advantage communicated with the Investigator about this and ultimately agreed to the recommendation to pay Mrs S a further £250 as compensation and £800 for loss of use.

Mrs S didn't agree. She said she lost her job after her car was taken and the sum doesn't adequately recognise the impact on her and her daughter. Mrs S reiterated her earlier points about the poor service she received and explained she wasn't thinking her car would be stolen. This has all significantly exacerbated what was an already challenging time for Mrs S so she wanted a much higher amount. The points raised by Mrs S didn't change the Investigators view.

The matter has now been passed to me for a decision.

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.

I recognise I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all of the submissions made before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

Having done so, I must explain to Mrs S I consider the Investigator reached a fair outcome in this matter. So, I won't be asking Advantage to do anything more than it has agreed to do to put things right. I'll explain why.

Mrs S's declined claim

Advantage has provided a copy of the policy wording which says '*You, or any person in charge of your Car, must protect it from damage or loss.*' Advantage's policy also provides cover in the event of a key being lost or stolen and it explained other options such as arranging for the car to be towed away from the location where the key went missing.

I understand Mrs S says she wasn't sure if she'd lost her key given the situation with her daughter and didn't think there was any possibility the car would be stolen. But, taking everything into account, I think it was fair for Advantage to conclude there was a reasonable expectation of a risk of theft. And the policy provided cover to help Mrs S take steps to secure the car in the event of the car key being lost or stolen.

Notwithstanding this risk, I haven't seen any evidence to show steps were taken by Mrs S to secure the car. I say this particularly as the car was left by Mrs S for four days before *she* was contacted by Advantage to let her know it'd been stolen and recovered by the police. I've also seen the claim notes from the time which record Mrs S said – on 25 January – she had lost the key and called the police as well as tried to phone her insurer but couldn't get through. But I haven't seen any evidence she contacted Advantage in this time or took the spare key to the location she'd left the car in to move it.

In light of this, I'm satisfied Advantage's decision to reject the claim was reasonable on the basis Mrs S failed to protect the car and reduce the risk of it being stolen. I think Advantage has fairly applied its exclusion and in line with the policy when declining this claim.

the service given to Mrs S

The key facts here aren't in dispute. Advantage admits it got things wrong when the progress of Mrs S's claim was avoidably delayed. The key issue I must decide is whether the things it has agreed to do to put things right is fair and reasonable.

To do this, I need to distinguish between the distress and inconvenience Mrs S suffered because her car was stolen and its consequences, which Advantage isn't responsible for, with what Advantage did or failed to do that might've added to that distress. For example, the inconvenience of not having her car in the weeks and months after it was taken (excluding any period of avoidable delays caused by Advantage) - whilst understandably frustrating for Mrs S – is a consequence of her car being stolen rather than Advantage's poor service.

Having reviewed this matter, I agree Advantage caused avoidable delays of around three months when dealing with Mrs S's claim. This is due to the following:

- An interview was conducted with Mrs S on 1 April 2022.
- Advantage told the policyholder only it declined the claim on 31 May.
- Mrs S - the owner of the car and party making the claim - wasn't made aware of this until she phoned on 30 June to chase what was happening.

It also took Advantage eleven weeks for it to consider Mrs S's complaint. This was all at a time when it was aware she was a vulnerable consumer and should've prioritised the matter.

In light of this, it's right Advantage should compensate Mrs S for the distress and inconvenience caused by the avoidable delays experienced in the progression of her claim. And I consider the total compensation of £300 to be a fair and reasonable way to do this.

As I've mentioned, this was always going to be an incredibly difficult and distressing time for Mrs S, and it would've taken a certain amount of time for the claim to be reviewed. I accept this period was made particularly distressing as Mrs S says she didn't have an alternative vehicle. Even so, I haven't seen any evidence to suggest this was because of something Advantage did wrong and was instead due to the theft of Mrs S's car. So, I don't think it's reasonable to say all the additional costs Mrs S says she's incurred, wouldn't have always been incurred because her car was stolen.

Having said this, I agree Advantage should pay compensation to Mrs S for the time she was without her car due to the avoidable delays caused by Advantage. This covers the period from when Advantage should reasonably have returned the car to her (which I consider is reasonably just over two weeks after Mrs S's interview) up to the date Mrs S's car was actually returned to her. Advantage has agreed this is £800 for a period of 80 days at £10 a day and this amount is generally considered a reasonable sum for the daily loss of use of a vehicle in the absence of other evidence.

Mrs S's comments about the further costs she feels Advantage should pay don't change my decision. She hasn't provided our service with evidence of any of the items she seeks to claim compensation for such as taxi costs, a flat battery, a lost sale. Nor has she provided any evidence it was Advantage's avoidable delay which led to the losses she's claiming. For example, Mrs S says she lost her job because of the insurance company taking the car and wants £5,000 for this. But her car was stolen. And, as I've set out above, Advantage isn't responsible for the distress and inconvenience Mrs S faced as a result of her car being stolen, only for anything above and beyond this which it caused.

I know Mrs S will be disappointed with this outcome. But my decision ends what we – in trying to resolve the dispute with Advantage – can do for her.

Putting things right

To put things right, Advantage Insurance Company Limited should pay to Mrs S a further £250 compensation and £800 for the loss of use of her vehicle.

My final decision

My final decision is I uphold this complaint. Advantage Insurance Company Limited needs to do the things set out above to put things right. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 6 September 2023.

Rebecca Ellis
Ombudsman