

The complaint

Mr O complains Advantage Insurance Company Limited (Advantage) caused delays and he was unhappy with the handling of his claim on his motor insurance policy. He said due to the delays Advantage should have considered his car as a total loss.

Advantage are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Advantage have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Advantage includes the actions of the intermediary.

There are several parties and representatives of Advantage involved throughout the complaint but for the purposes of this complaint I'm only going to refer to Advantage.

What happened

In November 2021 Mr O's home was broken into and his car keys were taken. His car was stolen from outside his house. This was reported to the police, and he made a claim on his motor insurance policy that he held with Advantage.

The car was recovered by the police and taken to Advantage's approved repair centre. Because the car keys had not been recovered Advantage said all locks would be changed and new keys provided and programmed.

The car was returned to Mr O in May 2022. Not all the required repairs were completed but it was agreed these would be completed when the parts arrived. It was confirmed to Mr O that the locks had been replaced and keys reprogrammed.

The day after the car was returned there was a fault with the alarm starting. This continued over the next few days. Mr O took the car back to the approved repairer.

Over the following weeks Mr O contacted Advantage and the approved repairer numerous times to find out when the car would be repaired. On 29 July 2022 Mr O was informed the locks and keys had not been changed although he had previously been informed they had. He was told they were on order but there was an issue affecting availability of parts.

Advantage offered Mr O £500 compensation for the delays and inconvenience.

As Mr O was not happy with Advantage, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said as there was still an indefinite timeframe for obtaining the required parts to repair Mr O's car, that Advantage should conclude it was unable to repair it and consider the claim as a total loss. They also said Advantage should pay the £500 in compensation and make a loss of use payment if he should have been placed in a replacement car.

Advantage responded to say it believed it could get the locks replaced by a locksmith within a few days. Mr O rejected this offer.

As Mr O is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

What I provisionally said - and why

Claim Handling and delays

Advantage inspected Mr O's car for the first time on 22 December 2021 after it had been recovered by the police. It was reported to be repairable and was taken to one of Advantage's authorised repairers in early January 2022.

I have seen there have been a number of issues with Mr O's claim as follows.

The car was returned to Mr O in May 2022 after most of the repairs had been completed, including the locks and keys. Due to a fault with the alarm he had to return it to the repairer in June 2022. Whilst the car was at the repair garage it was found that the locks and keys had not been changed and programmed, despite Mr O being told they had been.

The car should not have been returned in May 2022 without the locks and keys being changed, as this left it at risk of being stolen again as the keys were not retrieved after the theft. I have not seen any evidence or explanation from Advantage as to why this work had not been completed and why its approved repairer said it had.

In July 2022 Mr O made a complaint to Advantage about the lack of progress with the repairs to his car locks and keys. He requested his car was removed from the garage it was at as nothing had been done with it. I saw that Advantage agreed the car needed moving. As it was not moved, Mr O removed it himself and it was taken to the alternative repairer that Advantage had agreed it would do.

This repairer was also unable to obtain the lock and key parts from the car manufacturer. I saw it was recorded as an indefinite delay in August 2022 and also in September 2022.

I also saw that Advantage recorded that Mr O had his car returned on 6 October 2022 and the claim was closed. However this was not correct, and Advantage confirmed in November 2022 that Mr O's car was in the possession of its approved repair centre.

Mr O has had to continue to pay insurance and road tax on his car even though he has not had use of it since June 2022.

I think it is clear that Advantage have not handled this claim to an appropriate standard. The evidence shows a number of delays and some of these delays were avoidable and caused by poor claim handling from Advantage.

From the communication I've seen between the parties I can see that Mr O had to pursue Advantage and its approved repairers to progress his claim. And most of the progress that was made was due to his persistence.

There is no evidence of Advantage contacting Mr O since September 2022 to progress the claim.

I can see Mr O's rising frustration at both the lack of action from Advantage and its continued errors in progressing his claim. And I think the inconvenience suffered by Mr O to progress this claim merits an award of £750.

I therefore intend to uphold this part of Mr O's complaint and intend to require Advantage to pay him a total of £750 compensation in relation to the stress and inconvenience caused because of its poor standard of claim handling.

Claim settlement

I accept that there are issues with obtaining spare parts for cars at the current time and I cannot hold Advantage responsible for this.

However this claim has been going on for more than one year and Mr O's car is still not repaired and still with Advantage. He has been without his car since it was returned to Advantage's authorised repairers due to the fault, on 6 June 2022.

The required parts have been on back order, with an indefinite delay, for a long period of time and there is still no confirmed lead time. I think this claim has got to a point where the car should be considered not repairable due to the parts not being available.

Insurers are required by the regulations to progress claims without avoidable delay. And in this situation, I think Advantage should have responded to the lack of replacement parts being available and progressed Mr O's claim promptly in order to minimise his losses.

Mr O should not be left any longer without bringing this claim to a conclusion. To avoid any further delay Advantage should consider his car as a total loss. I do not accept its recent offer that it has found a locksmith it believes can change the locks. If this is a solution it should have been offered much earlier in the claim. I do not think a locksmith can obtain the specific parts that the car manufacturer is still unable to supply.

As Mr O's car was only a few weeks old when he made this claim Advantage should settle the loss as per the remaining new car replacement terms and conditions of his policy. This means it should pay him the price he paid for his car, including the taxes.

Mr O said he has had to pay ongoing finance payments and has incurred avoidable interest on his finance agreement. Advantage acknowledge it caused delays in Mr O's claim.

I have thought about whether the extended payment of interest by Mr O was a reasonably foreseeable consequence of the delays caused by Advantage. As long as we are satisfied it was caused as a direct result of the avoidable delays by the insurer and was reasonably foreseeable we can make an award.

As I think Advantage should have reviewed and settled this claim many months ago, in addition to the settlement figure, I intend to require it to pay the interest on Mr O's finance agreement from 6 June 2022. This is the date he returned the car to Advantages approved repairer and it has not been returned to him since that date.

Mr O will need to produce evidence of the loan agreement directly related to the car, and evidence of his payment of the interest. These will need to be provided to Advantage and ourselves in response to this provisional decision.

In addition as per the terms and conditions of the policy Advantage should have provided Mr O with a replacement car whilst his car was being repaired. I saw it provided him with a replacement car between 13 January 2022 and 16 February 2022. Despite Mr O contacting Advantage to request another replacement car he was not provided with one at any other time whilst his car has been with Advantage waiting for repairs to take place.

I looked at the terms of Mr O's policy and on page 10 it says;

“Replacement car – You’ll get a replacement car while your car is being repaired.”

As a car was not provided for the full duration of time the car was in Advantages care waiting to be repaired I intend to require Advantage to pay £10 per day loss of use from 6 June 2022, the last date Mr O was able to use his car, until the date it settles this claim.

Therefore, I intend to uphold Mr O’s complaint.

I intend to require Advantage Insurance Company Limited to

- Pay £750 in compensation.*
- Settle the claim as a total loss. It should pay the price he paid for his car, including the taxes.*
- Pay the interest payments from 6 June 2022 on Mr O’s finance agreement.*
- Make a further payment of £10 per day loss of use from 6 June 2022 to the date it settles this claim.*

Responses to my provisional decision.

Mr O responded and said although he had nothing of any great substance that is new to add to his complaint he wanted to point out the following;

1. He was made aware of Advantages offer of £500 by our investigator, not from Advantage.
2. The date of 6 June 2022 that has been used for the date he returned his car to Advantages authorised repairer was incorrect. This should be 16 May 2022.
3. When the car was removed as nothing had been done with it – it was taken to the original authorised repairer and not a new one.
4. He made several suggestions of changes to words in my provisional decision .
5. Advantage had not communicated with him since 15 July 2022 and not September 2022 as is stated.

Advantage did not respond.

What I have 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.

In response to Mr O’s comments

1. I accept there is no evidence to confirm Mr O was made aware of the £500 compensation offer by Advantage.
2. Mr O’s evidence says he returned his car to Advantages repair centre on 16 May 2022, and it was then taken by Advantage to taken to the main dealer for repairs on 6 June 2022. The evidence provided by Advantage did not include this detail.
I wrote to Advantage to inform it of these dates and to obtain its acceptance or disagreement. It did not respond.
Therefore where the date of 6 June 2022 was used in my provisional decision it should now be 16 May 2022.
3. I accept when Mr O removed the car he took it back to the original repairer and not a new one.
4. I acknowledge Mr O’s suggestions for changes in words but as they included some information that could potentially identify the specifics of this case it did not follow our

format; therefore I have not amended them. The changes suggested did not make any impact to the outcome of my decision.

5. I have seen evidence of Advantage looking into this claim up to September 2022, but this does not confirm contact with Mr O. Therefore this can be revised to say; "*There is no evidence of Advantage progressing this claim since September 2022.*".

Based on the evidence I've reviewed I maintain my provisional decision for the reason explained. However the dates of the start of interest payment due and loss of use will now start from the 16 May 2022.

My final decision

For the reasons I have given I uphold this complaint.

I require Advantage Insurance Company Limited to

- Pay £750 in compensation.
- Settle the claim as a total loss. It should pay the price he paid for his car, including the taxes.
- Pay the interest payments from 16 May 2022 on Mr O's finance agreement.
- Make a further payment of £10 per day loss of use from 16 May 2022 to the date it settles this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 27 April 2023.

Sally-Ann Harding
Ombudsman