

The complaint

Mr K complains about how Advantage Insurance Company Limited (“Advantage”) handled a claim on his motor insurance policy.

What happened

Mr K had a motor insurance policy with Advantage covering his car. In August 2022 he was involved in a collision with a third-party vehicle which damaged his car. He made a claim.

Liability for the accident was disputed by the third party and this remained unresolved when the case was brought to this service.

There was a delay in Advantage finding a garage to repair the car because the repairers in its network were at full capacity.

Mr K chose to not use a hire car offered to him by Advantage.

Advantage assessed the repairs needed. Mr K asked that he received cash-in-lieu of settlement so that he could have repairs done by his own choice of repairer rather than Advantage’s.

Advantage said it couldn’t do this because it had already assessed Mr K’s car. Mr K replied that he would pay for the cost of an engineer’s inspection if necessary.

Mr K wasn’t happy with Advantage’s responses and he complained.

Advantage upheld his complaint in part. It said it agreed there had been a delay in allocating a garage and said it would pay Mr K £75 compensation. But it also said it wouldn’t pay Mr K for a courtesy car and it was continuing to chase the third party over liability for the collision. Advantage said that it wouldn’t allow Mr K to get the car repaired elsewhere.

Mr K remained unhappy and he brought his complaint to this service. He asks that Advantage pay him cash so that he can have his car repaired by the repairer of his choice. He asks for Advantage pay for the hire car costs he didn’t use and additional compensation for the delay awaiting a repairer to be allocated. He also asks that a joint expert examines both cars to properly determine liability.

Our investigator looked into it and didn’t uphold it. They said they thought Advantage’s offer of £75 compensation was fair, but it was Mr K’s choice to not have a hire car so it wasn’t fair to ask Advantage to pay Mr K the money instead. They also said that Advantage had already authorised the repairs from its garage so didn’t need to change that, or incur further costs by appointing an engineer.

Mr K didn’t accept the view. He said that Advantage’s position wouldn’t be prejudiced as it would simply need to pay the amount it was going to pay its own repairer. He is willing to pay for the cost of an engineer to assess his car. He also mentions that the costs of repair will have increased over time and he doesn’t think that Advantage’s garage would be able to carry out the work to his satisfaction.

Because Mr K didn't agree, his complaint has been passed to me to make a final decision.

I issued a provisional decision to allow the parties to consider things further:

I'm proposing to uphold Mr K's complaint in part and I'll explain why as my decision is different from our investigator's.

I'll review each part of his complaint separately for ease of reading:

Choice of repairer

In its final response to Mr K, Advantage said Mr K's

"only option [is] to have your vehicle repaired by [our repairer] as the estimate has already been approved by [us]"

It says this is because of the terms of its policy which says:

Your Insurer will do one of the following:

- *Pay for any necessary repairs*
- *Repair the damage"*

Advantage has also said it wouldn't pay for an engineer's assessment as it has a duty to keep claim costs to a minimum.

I've looked at Advantage's policy wording and I have found the following section which would apply to Mr K's claim:

"Can I choose my own repairer/garage?"

Yes, you can take your Car to a repairer of your choice but if you do so you won't be entitled to the benefits available under the Nominated Repairer scheme. You'll also need to submit a repair estimate to your Insurer for authorisation before the work can start, which may delay the progress of your claim and the repairs to your Car."

It seems to me that Advantage is very clear that it's possible to have a car repaired by Mr K's choice of repairer. I don't think Advantage's reasoning it's used in its final response is logical and I don't think its position is reasonable.

So, I think it's fair that Mr K obtains a repair estimate from his choice of repairer and submits it to Advantage for authorisation under the terms of his policy.

If Mr K is unhappy about the authorisation of these repairs then he's free to complain to Advantage, and this service in due course if he remains unhappy.

Hire car

Mr K has asked that Advantage pay him the cost of the hire car he didn't use. He says he doesn't think it's fair that Advantage make money from his inconvenience because he chose to keep the claims cost down.

It seems to me that there may have been some misunderstanding about the supply of this hire car. There seems to be a provision under the policy to supply a courtesy car – which is done by Advantage's approved repairer when the car is being repaired. Mr K's car hasn't

been repaired, and I've explained above that he wants to have the car repaired by his own repairer. So he should realise that he won't be entitled to this courtesy car if he chooses that route.

I can see in the file several references to "hire car" and recovering the costs for this. It seems to me that this is possibly referring to Mr K being provided with a car on what is often called a 'credit-hire' basis; the cost of which is often recovered from a third-party who caused the collision. I can see that the choice to not use a hire car was Mr K's choice.

So, I don't think Mr K has reasonably been entitled to a courtesy car under his policy so far, and the provision of a hire car is most likely subject to a separate agreement which doesn't fall under the remit of this service, so I'm not able to consider it here.

Liability for the collision

Mr K has asked for an engineer to inspect his car. From the evidence I have, I can see that there are two reasons for this. The first is to ascertain the costs of repair and I've said above I think it's fair that Mr K gets his own estimate for the repairs from his own choice of garage.

If Advantage want to contend this, it will probably need to use its own engineer to inspect the car and provide evidence about why it disputes this.

The second reason is because Mr K wants both his and the third-party vehicle to be examined to explore who was liable for the collision.

The policy wording contains a section that deals with this:

"Your Insurer has the right to:

- *Take over and conduct the defence or settlement of any claim"*

This type of wording is common in the industry and it's fair for Advantage to use it here.

I appreciate that Mr K feels strongly about the collision and I can see from the file that liability is still disputed because the third-party insurance company hasn't responded fully.

I understand that Mr K thinks Advantage hasn't worked quickly enough to establish liability, but I can see from the file that the third party is at least partly responsible for this. So I don't think I can reasonably hold Advantage responsible so far, and as I say above it's fair that Advantage ultimately can make the decision about who was liable for the collision.

Claims service

From the file I can see that Advantage had nominated its repairer just over one month after the collision. I can also see Mr K has said he's made over 50 calls to Advantage about it allocating his car to its choice of repairer. Mr K has provided this information in response to Advantage's final response letter.

It seems to me this is excessive. I think the inconvenience caused to Mr K has been significant and I don't think Advantage's offer of £75 is enough. I think a compensation level of £200 in total would be in line with this service's recommendations for the chasing Mr K has had to do, and Advantage's poor service during his claim.

Responses to my provisional decision

Mr K accepted my provisional decision.

Advantage responded and said it didn't withdraw Mr K's right to use his own repairer. I sent it part of its final response letter which said:

“and the only option remains to have your vehicle repaired by [our specified repairer]”

Advantage didn't reply further.

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.

Because Mr K agreed with my provisional decision, and Advantage didn't send any further information, my final decision and reasoning remains the same as my provisional decision.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint in part. I direct Advantage Insurance Company Limited to:

- Consider Mr K's claim for his own choice of repairer to fix his car under the terms of his policy.
- Pay Mr K a total of £200 compensation for his inconvenience caused by its poor service. This includes £75 it has already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 June 2023.

Richard Sowden
Ombudsman