

## The complaint

Mr G complains about Advantage Insurance Company Limited (“AIC”) and the way they handled his motor insurance claim.

Mr G has been represented by Miss G during the claim and complaint process. For ease of reference, I will refer to any comments made, and actions taken, by both Mr G and Miss G as “Mr G” throughout the decision.

## What happened

Mr G held a motor insurance policy, underwritten by AIC. Unfortunately, on 16 December 2022, Mr G was involved in a road traffic accident on the motorway. So, he contacted AIC to make a claim on his policy.

AIC instructed Mr G to leave his car in a pub car park and make his way home, which Mr G did. And Mr G expected his car to be collected from this location and taken to a garage to be repaired, at which time he’d be provided with a courtesy car.

But Mr G didn’t receive a courtesy car straight away, and it took an extended period of time for AIC to provide one. And in late January 2023, when Mr G believed his car to be with the repairer, he received a parking fine which suggested his car wasn’t in the location he was told.

Following this, it was discovered that Mr G’s car hadn’t been recovered to a garage as he and AIC assumed. And it had instead been stolen. So, AIC processed Mr G’s car as a total loss, and paid Mr G the car’s pre-accident value. But Mr G wasn’t happy about this, or the service he’d received up to this point. And he made several complaints, set out below as:

- The delay in providing Mr G with a courtesy car and lack of communication as the start of the claim.
- Receiving a parking ticket while the car was in the care of AIC.
- The pre-accident value of the car; and
- The theft of the car while in the care of AIC.

AIC responded to Mr G’s complaints and upheld them. They agreed there had been a delay in providing Mr G with a courtesy car and they paid Mr G a total of £280 to recognise the time he was left without use of a replacement car, and the impact their service caused. And they accepted responsibility for Mr G’s parking ticket, covering the cost of the ticket in full and paying £35 in compensation.

They also accepted Mr G’s car was stolen during their care and recognised the upset this would’ve caused. So, they waived Mr G’s excess of £750, resulting in Mr G receiving a higher total payment after his existing finance had been cleared. But AIC thought the valuation of the car itself was a fair one, and they confirmed they had recorded the claim

under the initial damage claim, rather than a theft claim. Mr G remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and upheld it. They thought the compensation offered for the delays in providing a courtesy car was fair, and in line with our service's approach. And they were satisfied the value paid for the car was reasonable. But our investigator didn't think the £35 compensation paid regarding the parking ticket fairly acknowledged the shock and upset this would've caused. So, he thought a further £65 should be paid to fairly recognise this.

And our investigator didn't think AIC's complaint response placed Mr G back in the position he would've been had the car not been stolen, as he didn't think AIC had considered the initial deposit Mr G had placed when taking out the finance agreement, totalling £1,650.58. So, he thought AIC should pay Mr G this amount, less the cash settlement he was left with after his existing finance had been cleared, and excess been discounted. They calculated this payment to be £1,500.68

Mr G accepted this recommendation. But AIC didn't. AIC felt this recommendation placed Mr G in a position of betterment, as the claim had been settled as it usually would be, with the existing finance being cleared. And AIC felt their waiver of the excess was a more than reasonable offer. AIC also felt their offer to recognise the parking ticket was reasonable. So, they didn't think they should do anything more. As AIC didn't agree, the complaint was passed to me for a decision.

During my initial review, I recognised our investigator's calculations to reach a figure of £1,500.68 were incorrect. I wrote to both AIC and Mr G explaining this, providing them with a chance to comment on the correct calculations. Mr G accepted the mistake, and confirmed he still wished to accept the recommendation, based on the new calculations. AIC provided further clarification on the payment Mr G received and reiterated their belief they had acted fairly. I've continued with my decision on this basis.

### **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 the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

I note that Mr G accepted our investigator's initial recommendation. So, I think it's been accepted by Mr G that the compensation paid by AIC to recognise the delay in being provided with a courtesy car was fair. And, that his car was valued fairly, in line with standard industry guidelines. AIC haven't provided any comments to challenge these recommendations either. So, I don't think these complaint issues are in dispute and because of this, I don't intend to discuss them in any further detail.

Instead, I've focused on the main issues that remain in dispute. In this situation, AIC have accepted the actions of their recovery agent, acting on their behalf, resulted in Mr G receiving a parking ticket and his car being stolen. And they've accepted that as the recovery agent were acting on their behalf, they remain ultimately responsible for their actions.

So, I think it's accepted by AIC that they've acted unfairly regarding both of these issues. And, that the main dispute centres around what AIC should do to put things right. So, this is

what I've thought about at length.

### **Putting things right**

Any award or direction I make is intended to place Mr G back in the position he would've been in, had AIC acted fairly in the first place. In this situation, had AIC acted fairly, I think Mr G's car would've been recovered correctly to a garage that would've ensured safe storage of his car. And had this been the case, he wouldn't have received a parking ticket.

So, I think AIC should cover the cost of this parking ticket, and I'm glad to see they have. And I think AIC should compensate Mr G fairly for the upset receiving this ticket would've caused. AIC have paid Mr G £35 to recognise this upset, which they feel is fair. But I don't think this payment is enough to recognise the shock and upset Mr G would've experienced.

At the time Mr G received the parking ticket, he was told his car was with a garage awaiting repairs. So, I think he would've been significantly confused when a parking ticket was received. And when it became clear this parking ticket was received as his car wasn't where he was told it was, I think this would've been extremely upsetting and concerning for Mr G. While AIC have ensured Mr G hasn't incurred a financial loss because of this, I think the shock Mr G would've felt initially, coupled with the realisation his car was no longer stored correctly and likely being used illegally by someone else, warrants more than the £35 AIC have already paid.

Our investigator recommended AIC increase this payment by £65, to £100 total compensation for this complaint issue. And I think this recommendation is a fair one, that falls in line with our service's approach and what I would've directed had it not already been put forward. So, this is a payment I am directing AIC to make.

And had Mr G's car been recovered correctly, I don't think it would've been stolen. Based on the evidence I've seen, including AIC's comments and the pictures of the damage as well as Mr G's preference, I think if Mr G's car had been recovered to the garage as intended, it would've most likely been repaired.

So, in this situation, Mr G would've remained in the finance agreement he had taken out. And this finance agreement was calculated including the initial deposit Mr G put down, which including a part exchange, totalling £1,650.58.

Because the car was stolen, AIC rightly settled the claim on a total loss basis, as I'd expect. And I'm glad to see this was recorded under the initial claim for damage Mr G made, rather than as a theft claim.

But, when settling the claim on this basis, while the existing finance element of £14,131.86 was cleared, I think this meant Mr G lost use of the initial deposit he placed when he initially took out that agreement. And I think he was placed in the position due to the error AIC made when not ensuring his car was recovered correctly.

So, in order to place Mr G back in the position he would've been in had the car been recovered and repaired, I think Mr G should also be placed back into a position where he is able to utilise the original deposit he put down.

In this situation, out of the £15,000 payment made for the value of his car, AIC paid £14,131.86 of this amount to clear his existing finance, and a further £67.25 to clear the remaining premiums on his policy. So, when these amounts were deducted, Mr G received a cash settlement of £800.89.

But £750 of this £800.89 was attributed to the excess AIC agreed to waive, to recognise the upset he was caused by his car being stolen when in their care. I do think this £750 is a fair compensatory offer to recognise the shock and upset he would've felt, considering his feeling towards the car which he describes as his pride and joy. I note AIC feel this offer is more than they would usually look to offer, but I think considering the value of the car and the fact it was stolen through no fault of Mr G's own, I think this offer is reasonable and I wouldn't deem it to be excessive.

So, I don't think it would be fair for me to consider this £750 as part of the cash settlement Mr G received and instead, I have considered this as a separate compensatory payment. So, on this basis, I think Mr G was left with a total cash settlement of £50.89.

And as I've explained above, any direction or award I make is intended to place Mr G back in the position he would've been, had his car not been stolen. And in that situation, he would've been in a finance agreement that made use of the initial deposit he put down, totalling £1,650.58. So, in order to ensure Mr G is placed back in this position, I think AIC should pay Mr G this amount, less the £50.89 he's already received, which calculates as a payment of £1,599.69.

I think this provides Mr G with the spending power he had when he took out the initial finance agreement. I understand AIC strongly disagree with this, and I want to reassure them I've considered the comments they've provided explaining this at length.

I recognise Mr G has since taken out a new finance agreement and so, I appreciate why AIC believe Mr G had the spending power to take out a new, similar finance agreement. And because of this, I can understand why they look at this payment as one that places Mr G in a position of betterment.

But ultimately, I don't agree. Whether or not Mr G had the means to take out a new agreement on a new car, this doesn't alter the fact he lost the use of the initial deposit placed on the agreement for the stolen car, through no fault of his own. As AIC are responsible for the loss of this car, and so the end of this finance agreement, I think AIC should be expected to ensure Mr G has incurred no form of financial loss, including any loss of spending power. So, I'm directing AIC to pay Mr G £1,599.69 to adequately address this.

### **My final decision**

For the reasons outlined above, I uphold Mr G's complaint about Advantage Insurance Company Limited and I direct them to take the following action:

- Pay Mr G an additional £65 to recognise the upset he would've felt when receiving the parking ticket; and

Pay Mr G £1,599.69 to ensure he is placed back in the position he would've been in regarding his previous finance agreement, and the deposit he put down, had his car not been stolen.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 29 June 2023.

Josh Haskey  
**Ombudsman**