

## **The complaint**

Miss H complains that Advantage Insurance Company Limited (Advantage) failed to update the status of an accident claim, which resulted in higher premiums under her motor insurance policy.

## **What happened**

Miss H says she moved to a new insurance company. Her new insurer increased her premium when it found she had an open fault claim. Miss H says this claim should've been closed 12 months ago. As a result, she was paying around £20 per month more for her insurance policy with her new provider.

When Miss H complained to Advantage it told her the claim had been settled in October 2021 but its agent dealing with the matter didn't let it know. This is why the claim was still showing as open. It told her she should refer back to her current insurer to enquire about a premium refund now the claim was closed. Advantage sent Miss H a cheque for £100 to apologise for the miscommunication.

Miss H says she referred back to her current insurer and it asked for a pdf document showing her claims history. She says she asked Advantage for this and received an email the same day relating to the cheque she had returned. She responded asking again for the claim's history in pdf format. Miss H says she told Advantage she'd returned its cheque as this didn't cover the increased premiums she'd paid.

Advantage emailed Miss H to say the information she requested had now been provided via email. She responded to say it hadn't but acknowledges this was later received. Miss H didn't think Advantage had treated her fairly and referred the matter to our service. Our investigator upheld her complaint. She says Advantage should reimburse Miss H for the increased premiums she paid as a result of its delay in updating the claim.

Advantage didn't respond so it's been passed to me for a final decision.

I issued a provisional decision in April 2023 explaining that I was intending to uphold Miss H's complaint. Here's what I said:

### *provisional findings*

*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 my intention is to uphold Miss H's complaint. Let me explain.*

*Advantage didn't respond to our requests for information. So, my decision is based on the information Miss H supplied.*

*Miss H provided a copy of Advantage's response to her complaint. In this it explains its agent should've informed it the claim had been settled in 2021 with Miss H not considered at*

*fault. I agree with what Advantage has said. The agent was acting on its behalf, so Advantage is ultimately responsible for this error.*

*An unresolved claim or a claim where the insured is considered at-fault will generally result in an increased premium. This is what happened here. Advantage says the claim was resolved as non-fault in October 2021. This should've been updated on its internal, and any external databases at this time. Miss H was charged a higher premium by her new insurer when it identified there was an open claim. This took several months to resolve.*

*Miss H has provided an email she received from her current insurer. This explains that an additional premium was added to her policy in August 2022 because of an open "fault" claim. It says this claim was recorded in September 2021. In its email the insurer says it's removed the additional premium since receiving the proof of no claims document Miss H obtained. It says the claim from 2021 now shows as closed "non-fault". The insurer also says it's removed the £50 administration fee it charged following the initial premium amendment.*

*Miss H's insurer explains that it had to amend the date she passed her driving test, as this wasn't correct. This resulted in a slight change to her premium along with an administration fee. But it has since refunded this administration fee also.*

*Having considered this information Miss H hasn't incurred a financial loss because of Advantage's delay in updating her claims information. This is because her current insurer has refunded the additional premium related to the open claim. Her premium now accurately reflects her claims history. So, I won't ask Advantage to provide a refund in this regard.*

*I've thought about the impact all of this had on Miss H. She says she's wasted a lot of time and has been inconvenienced by Advantage's actions. She also says it's been difficult to sort this problem out whilst looking after a baby.*

*I can see that Miss H contacted Advantage a number of times in November 2022 asking for her claim's history in a specific format. From her comments and the copy emails she's sent this information wasn't supplied for around two weeks. I'm sorry Miss H was charged an increased premium and had to spend time contacting Advantage and her current insurer to sort this out. It's reasonable that Advantage compensates Miss H for this.*

*Advantage offered £100 compensation. Given that Miss H had to pay higher premiums unexpectedly, and she spent time dealing with both Advantage and her current insurer to resolve the issue, I think an increased payment is warranted. I think Advantage should pay Miss H £150 in total to acknowledge the inconvenience she was caused.*

*I said I was intending to uphold Miss H's complaint and Advantage should pay her £150 compensation.*

*I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.*

*Advantage didn't respond with any further comments or information.*

*Miss H responded to say that she accepted my provisional 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.*

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

### **My final decision**

My final decision is that I uphold this complaint. Advantage Insurance Company Limited should:

- pay Miss H £150 compensation in total for the inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 6 July 2023.

Mike Waldron  
**Ombudsman**