

The complaint

Mr R complains about his insurer, Advantage Insurance Company Limited (Advantage), over the time taken to carry out repairs to his vehicle following an accident.

Any reference to Advantage in this decision includes their agents.

What happened

In August 2022 Mr R's vehicle was involved in an accident. He contacted Advantage to report the accident and lodge a claim. Advantage initially assigned one of their approved repairers to carry out repairs, but this was a significant distance from Mr R.

Mr R then located a garage nearer to his location, but it wasn't on Advantage's approved list of repairers. Advantage then agreed rates with Mr R's nominated garage until the end of August. There was also some confusion over the location of the vehicle, meaning it wasn't taken to the nominated garage until the end of September. Advantage approved the estimate of the cost of repairs from the nominated garage at the beginning of October. Mr R was provided with a courtesy car while his vehicle was in for repair.

Unhappy at the time taken to repair his vehicle, Mr R complained to Advantage. In their final response, Advantage upheld his complaint, acknowledging the delays in the repairs and that its communication and service to Mr R was below what it would have expected, and he'd had to chase them for updates on progress with the repairs. In recognition of these points, Advantage awarded £150 compensation to Mr R.

Advantage issued a further final response in respect of a separate complaint Mr R made about conflicting information he was given by Advantage about his vehicle being categorised due to it being involved in an accident. In the final response they stated as Mr R's vehicle had been involved in an accident (although suffering little damage) they were obliged to apply a 'Category X'¹ marker.

However, there were further delays in carrying out repairs because the nominated garage couldn't obtain the necessary parts from the vehicle manufacturer. So, Mr R complained to this service in December. The main elements of complaint were that Advantage had delayed repair of his vehicle and it was still at the garage, awaiting repair, nearly five months after the accident. He wanted Advantage to cover the cost of repairs, or to write off the vehicle if they wouldn't cover the cost of repairs.

Our investigator upheld the complaint. He thought Advantage were responsible for the delays up to the point they agreed rates with the nominated garage. While Advantage couldn't be held responsible for delays from the nominated garage awaiting parts, the investigator

¹ A Category X marker is where a vehicle has been subject to an insurance claim, but often has sustained minimal or no damage. Most commonly, this is where a car has been stolen but then recovered after an insurance company has paid out for the theft. Other categories apply in the circumstances where a car is written off due to the damage sustained. The category assigned in these cases depends on the severity of the damage, for example whether the damage is structural.

concluded Advantage hadn't adequately explained this to Mr R before the nominated garage was instructed to carry out the repairs. And that by selecting his own nominated garage, Mr R wouldn't receive certain benefits under the policy. Because of this, the investigator thought Mr R had suffered a significant loss of expectation over how far Advantage would provide assistance to him in dealing with his nominated garage. And Mr R had to contact Advantage throughout the time, so the investigator thought their communication with Mr R had been poor. So, the investigator didn't think Advantage's offer of compensation was fair in the circumstances. He thought Advantage should pay £400 (so, an additional £250 to the £150 they'd awarded).

Advantage disagreed with the investigator's view and asked that an ombudsman review the complaint. They said £400 compensation for loss of expectation was high. Mr R would still have had to spend time chasing progress with his nominated garage, given the issues with the lack of availability of parts to carry out the repairs (which were outside the control of either Advantage or the nominated garage). Advantage also said that since Mr R complained to this service, he had complained to them again about the issues around the repairs to this vehicle, in response to which they had awarded a further £100 compensation. Advantage felt their total compensation was fair.

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.

My role here is to decide whether Advantage has acted fairly towards Mr R.

The main issue in Mr R's complaint is the delay to repair of his vehicle following the accident, such that when he complained to this service, it was still at the garage, awaiting repair, nearly five months after the accident. Advantage acknowledge some issues with communication and the service they've provided. But they say the delays are primarily due to the non-availability of the parts needed for the repairs, for which they aren't responsible. They feel the compensation they've offered Mr R is fair.

I've carefully considered the circumstances of the case, the sequence of events and the information and evidence provided by both Mr R and Advantage.

Looking at the sequence of events, it's clear there were initial delays from the time of the accident in August, through to the vehicle being delivered to the garage nominated by Mr R at the beginning of October. Various these involved confusion over the vehicle's location and delays in the vehicle then being recovered to the nominated garage. Advantage acknowledge these delays and that the service they provided wasn't up to the standard Mr R should have expected. They acknowledge Mr R had to chase them for updates about what was happening and progress with the repairs. I've concluded these delays were avoidable and so Advantage haven't treated Mr R fairly, causing him distress and inconvenience. I'll come on to consider what I think would be fair and reasonable for Advantage to do to put things right.

Once the vehicle was delivered to the nominated garage for repairs, it appears the delay was then due to the non-availability of the parts needed to carry out the repairs. As Advantage had agreed the rates from the nominated garage and then the estimate of the cost of repairs, then I don't think they can be held responsible for the non-availability of parts. As that would be the responsibility of the nominated garage and/or the vehicle manufacturer.

I've also noted Mr R was provided with a courtesy car for the period his car was in for repair, albeit outside the terms and conditions of the policy (as he wasn't using an Advantage approved repairer). I think that reasonable in the circumstances.

I've also considered the issue about the conflicting advice Mr R received about whether his vehicle would have a Category X marker applied. From what I've seen he was given contradictory information about this issue. But, given the fact his vehicle was involved in an accident and subject to an insurance claim, together with the meaning of a Category X marker set out above, I don't think Advantage acted unfairly or unreasonably in assigning the marker to Mr R's vehicle. However, the confusion would have caused some distress to Mr R, although I don't think this will have been significant. I'll consider this when thinking about what Advantage needs to do to put things right.

Given the points and sequence of events set out above, I've thought about what Advantage need to do to put things right. In doing so I've considered what Mr R requested when he made his complaint to this service. As Advantage have agreed the estimate of repairs from Mr R's nominated garage, then the issue is the timing of the repairs (and Advantage settling the claim based on the estimate and any applicable excesses under the policy). And given the indications the damage to Mr R's vehicle was light (given the Category X marker) then it wouldn't be reasonable for Advantage to treat the claim based on a total loss.

But as I've concluded some of the initial delays were avoidable and due to Advantage, plus what they have acknowledged was poor service, I think Mr R has suffered distress and inconvenience from the delays to repair of his vehicle. And Advantage acknowledge he was proactive in chasing them about progress and the delays. Taking all the circumstances of the case into account, I think a total of £400 compensation for distress and inconvenience is fair and reasonable (that is, an additional £150 if they've already paid the total of £250 they say they've awarded).

My final decision

For the reasons set out above, my final decision is that I uphold Mr R's complaint. I require Advantage Insurance Company Limited to:

- Pay Mr R a total of £400 in compensation for distress and inconvenience (that is, an additional £150 if they've already paid the total of £250 they say they've awarded).

Advantage Insurance Company Limited must pay the compensation within 28 days of the date on which we tell them Mr R accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 July 2023.

Paul King
Ombudsman