

The complaint

Mr J's representative complains on his behalf that Advantage Insurance Company Limited (Advantage) did not settle his claim on his motor insurance policy in a reasonable time. And that Advantage pursued Mr J for information despite being asked to correspond only with his representative.

References to Mr J, or his representative, will include the other.

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.

What happened

In April 2022 Mr J was involved in a collision whilst driving his car.

Mr J's car was detained by the police whilst they undertook their investigations into the incident.

When Mr J's car was released by the police in November 2022 it was inspected by Advantages' engineers and was found to be a total loss. A settlement amount was agreed and was paid to Mr J at the start of February 2023.

As Mr J's representative was not happy with Advantage, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said although the circumstances of this claim made progression difficult there was still a lack of communication with Mr J's representative. They said Advantage should pay £200 compensation for the lack of communication and the distress caused to Mr J.

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

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.

I looked into the timeline of this claim.

The incident happened in April 2022, and I saw that due to the incident being a complex case Mr J's car was held by the police pending its own investigations into the incident until 15 November 2022.

I saw evidence of Advantage trying to progress the claim. This included contacting Mr J in May 2022 to ask for information on the status of the police investigations and the whereabouts of the car, contact with other involved parties to the incident, and calls to Mr J's rep in August 2022 to again obtain an update as to the current position with the police investigations and car. I also saw that from September 2022 Advantages approved engineers tried to organise inspection of the car with the police.

Advantage had to have the opportunity to inspect Mr J's car before deeming it a total loss and paying out the market value. It isn't reasonable for it to settle the claim without inspecting the car first. This is because it needs to validate the claim against the terms of the policy.

Due to the seriousness of the incident the police had to hold on to the car to conduct their own investigations. This isn't a delay that Advantage were responsible for, and it was out of their control.

I think Advantage acted fairly by waiting for the car to be released by the police, and after inspection of the car by its approved engineer in mid-November 2022 the car was classed as a total loss. Mr J was asked for a finance settlement amount which was received on 30 December 2022. A settlement amount was agreed on 23 January 2023 at which point a new finance settlement amount was required. This was received on 1 February 2023 and the settlement was paid on 2 February 2023.

I don't consider the time between Mr J's car being inspected in mid-November 2022 and the settlement made at the start of February 2023 to be unreasonable. I do not uphold this part of Mr J's complaint and I do not require Advantage to pay any interest on the settlement amount as I have seen no evidence of avoidable delays by Advantage.

I also considered the activity that took place in the months that passed between Mr J making his claim with Advantage and his car being released from the police investigations.

The claim was made in mid-April 2022, and I saw evidence of contact from Advantage to Mr J by email and phone regarding his claim. I saw in mid-August 2022 Mr J appointed a representative to deal with his claim. Advantage acknowledged this request, and it was recorded on Mr J's claim file. However there were occasions where it still contacted Mr J and not his representative.

Advantage apologised and said it was an error on behalf of some of its agents who had not read the claim note regarding contact, before contacting Mr J directly.

There was no evidence of regular contact made to Mr J's representative by Advantage. Although I accept Advantage said it did not make contact unless there was something to update. I think that considering the circumstances of the incident and claim it could have maintained a more proactive and regular contact, so Mr J was kept up to date on Advantages position with his claim.

Therefore, I uphold Mr J's complaint and require Advantage to pay Mr J £200 for the stress caused when it continued to contact him after he had appointed a representative and for the lack of regular contact.

My final decision

For the reasons I have given I uphold this complaint.

I require Advantage Insurance Company Limited to pay Mr J £200 for the stress caused

when it continued to contact him after he had appointed a representative and for the lack of regular contact during the claim process.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 16 November 2023.

Sally-Ann Harding
Ombudsman