

The complaint

Mrs H complains that Advantage Insurance Company Limited declined to renew her motor insurance policy. Mrs H is represented in this matter by Mr H, a named driver on her policy.

What happened

Mrs H's policy came up for renewal and Mr H called Advantage's agent to discuss the premium. He updated details about their cover and provided their driving licence details. Advantage then declined to offer them cover. Mr H thought they were being discriminated against.

Our Investigator initially didn't recommend that the complaint should be upheld. She saw from Advantage's records that it already held Mrs H and Mr H's licence details. So she didn't think Advantage had declined to renew their policy because of this. But she saw that details about the car and the voluntary excess had changed and this led to the renewal being declined. She thought Advantage was entitled to decide which vehicles it was willing to cover. So she didn't think it had done anything wrong in this.

Mrs H replied that their car's fuel type hadn't changed in the past three years, and they hadn't reduced their voluntary excess. Advantage further reviewed the case and said that the decline was due to a system error. It offered to pay Mrs H £100 compensation for the trouble and upset this had caused. But Mr H thought Advantage should reimburse the cost of their renewal elsewhere. He said they'd spent eight months trying to get an answer.

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 can see that Mrs H and Mr H have had a frustrating experience with Advantage. They have been provided with different explanations and have been caused trouble and upset in getting an answer from Advantage:

- They were told first they weren't allowed to know why their renewal was declined, but that Advantage was acting within its rights to decline it.
- Then they were told it was down to the information they updated, which was the licence details, but then Advantage said it wasn't this.
- Then Advantage provided us with the details that were updated, which showed a difference in the fuel type of the car, and removal of the voluntary excess.
- But then Advantage said the renewal was declined not because of this but due to a system error.

Mr H thought they had been discriminated against because of information they had provided to Advantage. But I haven't seen any evidence to show that Mrs H or Mr H were treated any differently to Advantage's other customers because of the age or abilities.

But when a business makes a mistake, as Advantage accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

Mrs H was able to find alternative cover at a slightly more expensive price than that they managed to negotiate with Advantage after updating their car details. But this quote wasn't then progressed due to the system error. So I can't say whether or not this quote would have been accurate. So I can't say that the error caused Mrs H any loss or that Advantage needs to do anything further to restore her position.

But I think Advantage's error caused Mrs H and Mr H stress and upset when it wasn't able to provide them with a renewal. Advantage has offered to pay Mrs H £100 compensation for this. I think that's in keeping with our published guidance for the impact the error had. And so I'm satisfied that it's fair and reasonable. I don't require Advantage to increase this.

Putting things right

I require Advantage Insurance Company Limited to pay Mrs H £100 compensation for the distress and inconvenience caused by its level of service, as it has already agreed to do.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Advantage Insurance Company Limited to carry out the redress set out above, as it has already agreed to do.

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

Phillip Berechree
Ombudsman