

The complaint

Miss E complains that Advantage Insurance Company Limited wouldn't provide her with a new quote or renew her motor insurance policy.

What happened

Miss E contacted Advantage to change her car on cover. But it wasn't able to offer her a quote for this or to renew her policy and it couldn't give a reason for this. This later turned out to be due to a possible system error. But Miss E said she thought she may have been the victim of fraud or had a marker placed on her record. After the complaint came to us Advantage offered Miss E £50 compensation for this, but Miss E remained unhappy. She said she had been caused stress and worry.

Our Investigator didn't recommend that Advantage should do anything further. He thought Advantage wasn't obliged to provide a quote for Miss E, whether due to an underwriting decision or system error. And he thought it didn't need to explain why it wouldn't insure her. He thought Advantage wasn't responsible for the effort Miss E put into trying to find out why it had declined cover. He thought Advantage's apology and compensation offer was fair.

Miss E replied that she thought Advantage hadn't treated her fairly and the error had caused her a great deal of worry and stress and taken her time to resolve.

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 understand that Miss E was worried when she was told by Advantage that it couldn't quote for her new car and may not be able to quote at her renewal. I can see that she spent some time contacting agencies which she thought may be able to explain Advantage's decision, without any success. This must have been frustrating for her.

Advantage said it hadn't declined cover for Miss E. It said that when she asked for a quote nothing was provided by its system. It thought this may have been due to its underwriting criteria at the time. It later thought that it may be due to a system error that it was able to over-ride manually.

But Advantage isn't obligated to provide a quote for Miss E, and neither is it required to give her a reason why it won't offer cover. So, whilst I can understand Miss E's frustration, I can't say that Advantage did anything wrong when it couldn't offer a quote to Miss E. And Advantage confirmed to Miss E that she need not disclose this to other insurers. So, although Advantage couldn't offer Miss E cover, this shouldn't have caused her any detriment.

It follows that I can't hold Advantage responsible for the resulting stress and worry Miss E felt or the time she spent trying to find out if she had been subject to fraud. I can understand that Miss E was worried, but it was Miss E's choice to contact various agencies to check her records. And Miss E could have found cover elsewhere for her intended car purchase.

After the complaint came to us, Advantage offered Miss E £50 compensation. It said then there had been a system “error” which its underwriter may then have been able to over-ride. So I think it could have given Miss E clearer information when she first contacted it. But I’m satisfied that this was fair compensation for the effect the error had as it’s in keeping with our published guidance. And so I don’t require Advantage to do anything further to this.

Putting things right

I require Advantage Insurance Company Limited pay Miss E £50 compensation for the distress and inconvenience caused by its level of service, as it’s already offered 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 above, as it’s already offered to do.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss E to accept or reject my decision before 19 October 2023.

Phillip Berechree
Ombudsman