

The complaint

Mr F has complained about the delays Advantage Insurance Company Limited have caused dealing with a theft claim he made under his car insurance policy.

Any reference to the insurer Advantage in my decision include its agents.

What happened

In January 2023 Mr F reported to his insurer, Advantage that his car had been stolen.

In March and April 2023 Mr F complained to Advantage about delays it has caused dealing with his claim.

In March 2023 Advantage upheld Mr F's complaint and paid him £100 compensation. In April 2023 Advantage upheld Mr F's second complaint about further delay and paid him £75 compensation.

In May 2023 Mr F asked us to look at his complaint as he remained unhappy with the lack of updates and ongoing delay in dealing with his claim.

Our Investigator recommended Advantage pay Mr F £420 for 42 days avoidable delay - in addition to the £175 compensation it had paid for the distress and inconvenience caused. The Investigator explained that we consider loss of use even if it isn't an entitlement under the policy - where we find the insurer has caused avoidable delays.

After initially disagreeing, Advantage said it understood the Investigator's approach here and asked for clarification of the dates to check against its records. However, since being provided with this information, Advantage hasn't responded.

Mr F accepted the Investigator's findings. He remains unhappy with the ongoing delay, which our Investigator explained Mr F can raise as a new complaint against Advantage.

As Advantage didn't respond, the case has been passed to me to decide.

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.

Mr F told Advantage his car was stolen on 11 January 2023. While Advantage was investigating the claim, Mr F's car was recovered by the police and Advantage was notified of this on 3 February 2023. However, Advantage didn't provide Mr F with an update on his claim unless he chased for one, which he did on several occasions. It took until 17 March 2023 (six weeks) for a report to be provided to Advantage by its salvage agent on the condition of the car.

Advantage wanted to carry out further investigations, so it instructed an engineer to inspect Mr F's car on 20 March 2023. However, this hadn't taken place by the time Advantage responded to Mr F's second complaint about delay on 30 April 2023, which was another six

weeks. These durations are unreasonable and I think Advantage should have been proactive in ensuring Mr F's claim was progressed quicker.

While Advantage has paid some compensation in recognition of the delays it caused, I don't think the sum of £175 goes far enough to resolve things for Mr F. I think Advantage has caused unreasonable avoidable delays in its investigation. Irrespective of what its decision may ultimately be - and even if Mr F wasn't entitled to a courtesy car under the policy in these circumstances - we will take into account what is fair and reasonable.

Mr F has explained that due to the delays caused by Advantage, he has had to make alternative arrangements for travel as he is without his car.

Advantage is entitled to carry out reasonable enquiries while investigating a claim. But even allowing time to do this, I consider it caused an avoidable delay of around six weeks - over and above a reasonable investigation time. This left Mr F in limbo and chasing for updates. If it had not caused the delays, Advantage would have reached a decision sooner, Mr B would be aware of the outcome and in a position to make longer term alternative arrangements. And so I think it should pay Mr F our equivalent rate of £10 a day for loss of use - for 42 days (six weeks).

Mr F can raise any new issues he has with Advantage since it responded to his second complaint on 30 April 2023. If he is unhappy with the response he receives, or after eight weeks, he can ask us to look at his new complaint.

My final decision

My final decision is that I uphold this complaint. I require Advantage Insurance Company Limited to pay Mr F £420 for loss of use in respect of the delay it caused in dealing with his claim.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 28 November 2023.

Geraldine Newbold
Ombudsman