

## **The complaint**

Mr G has complained about Advantage Insurance Company Limited. He isn't happy about the delay in settling his claim under his motor insurance policy.

## **What happened**

Mr G made a claim under his motor insurance policy and Advantage looked to repair his car. But there was a significant delay of about 11 months in the repair of his car caused by a number of factors which led to Mr G being charged additional lease hire costs for his car as it was returned late. So, he complained to Advantage about this.

When Advantage considered his complaint, it sympathised with the position he found himself in, but it didn't think it had done anything wrong. It did provide a letter of explanation for Mr G to send on to the finance company who were pursuing Mr G for the additional costs he incurred as he didn't hand the car back on time. As Mr G remained unhappy and was still being pursued for the additional lease hire costs he complained to this Service.

Our investigator looked into things for Mr G and upheld his complaint. He looked at the circumstances surrounding the claim and thought that Advantage contributed to a number of delays. And so, he thought it should pay the additional costs Mr G incurred as the repair of his car was delayed.

Advantage acknowledged that it contributed to some of the delay but maintained it wasn't responsible for delays caused by the difficulty getting parts and because of the impact of the pandemic. However, it went on to offer a small contribution to the costs Mr G incurred but not all of the costs. This was because it accepted it was responsible for one of the delays (of around a month) but not all.

So, the matter has been passed to me for review.

## **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.

Having done so I agree that the complaint should be upheld. I'll explain why.

I can understand Advantage's position, as the repair was hampered by a number of factors that were outside of its control. However, the delay in repair wasn't Mr G's fault and he has clearly faced additional lease hire costs through no fault of his own which feels unfair.

I accept the pandemic affected Advantage's ability to repair Mr G's car within a reasonable time frame. However, Advantage has acknowledged that its repair of Mr G's car was delayed for a month or so at the very least which is why it offered a small contribution to the lease costs Mr G incurred. But, as our investigator suggested, this offered a window of opportunity that would have allowed the repair of Mr G's car on time which would've meant he didn't incur any additional costs.

Further, as our investigator highlighted it could have taken other steps once it realised the repair was going to be so delayed including offering to cash settle the claim so Mr G could get his car repaired himself on time. I accept the general point that Mr G *may* have faced similar difficulties with delay in getting parts ordered amongst other things but at least he would have been in control of the repair process. And Advantage could also have chosen to write off Mr G's car and pay him the market value of his car which would've meant that he wouldn't have faced additional charges. As his car wasn't a write off at the time of claim I realise that this wouldn't be its usual process but as it couldn't get the required parts it could have chosen to do this and retained the salvage to offset its costs or got the car repaired fully at a later stage. Many insurers chose this path during the pandemic period especially when there was a continued unavailability of parts or significant delays.

Given all of this, I think the fair and reasonable thing to do in the particular circumstances of this case, is for Advantage to pay the additional lease car costs Mr G faced, subject to reasonable proof. Our investigator has suggested it should also pay simple interest on this amount. However, Mr G hasn't had to pay anything as yet so I don't think it would be fair to simply pay him interest as he hasn't been without the money. But, as I understand it, Mr G may face paying interest on the amount owed to the finance provider. Once this is clarified then I would expect Advantage to simply pay any additional interest Mr G has incurred subject to reasonable proof. And I do agree he should be paid £350 by way of compensation as Mr G has clearly faced a fair degree of stress and inconvenience as the lease car company has been chasing him for the debt and court proceedings have hung over him.

### **My final decision**

It follows, for the reasons given above, that I uphold this complaint. I require Advantage Insurance Company Limited to pay Mr G's lease hire costs for the additional months he was unable to return his car due to its delay in repairing his car including interest (if any), subject to reasonable proof. Plus, £350 compensation.

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

Colin Keegan  
**Ombudsman**