

The complaint

Mr K complains about delays by Advantage Insurance Company Limited (Advantage) in dealing with his claim on his car insurance policy.

Advantage is the underwriter of Mr K's policy; that is, it is his insurer. Part of this complaint concerns the actions of Advantage's agents. As Advantage has accepted it's accountable for the actions of its agents, any reference in my decision to Advantage includes the actions of its agents.

What happened

Mr K was involved in a car accident and notified Advantage of his claim the day afterwards.

Mr K first complained to Advantage about its delays in dealing with his claim around six weeks after the accident. Advantage upheld Mr K's complaint. It said its case handler hadn't been chasing the release and collection of his car. Advantage apologised to Mr K and paid him £195 for the inconvenience it had caused him.

Mr K continued to experience delays, so he made another complaint. Advantage again upheld Mr K's complaint. It apologised for the continuing delays and paid Mr K £120 in compensation for the inconvenience and distress it had caused him.

Advantage then told Mr K his car was a total loss. And for around a month after this, Advantage gave Mr K the use of a hire car.

Unhappy with his claims experience, Mr K brought his complaint to us. The investigator who looked at Mr K's complaint didn't uphold it. She said there were avoidable delays by Advantage in dealing with Mr K's claim. And she noted Mr K had given us receipts showing he'd paid travel costs of just under £190 for the time when he didn't have the use of his car. But she said the payment of £315 Advantage had made to Mr K, along with the use of the hire car it gave him, compensated him for these delays.

Mr K disagreed and so his complaint came to me to decide. In my provisional decision of 19 July 2023, I explained why I intended to uphold Mr K's complaint. Mr K has accepted my provisional decision. Advantage hasn't commented on it. So Mr K's complaint has now come to me for a final decision.

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've decided to uphold Mr K's complaint. In my provisional decision, I explained my reasons as follows:

"When a policyholder makes a claim on a car insurance policy, we expect the insurer to deal with it within a reasonable time. And when an insurer fails to do this, we look at whether this

has caused the policyholder distress and inconvenience, including whether the loss of use of the car has added to any inconvenience.

In Mr K's case, Advantage accepts there was a two-month delay in dealing with Mr K's claim. I agree Advantage hasn't dealt with the claim within a reasonable time. I've looked at the impact this has had on Mr K. He didn't have the use of his car for more than two months. Mr K says his usual routine was to drive to his gym most nights as an outlet for his mental health. He says not being able to do this for many weeks made him feel very down, depressed and stressed. He says on occasion he's had to travel by train, which has been made more difficult and stressful by strike action on the trains. As I've mentioned, Mr K has given us receipts for travel costs of just under £190 for the time when he didn't have the use of his car. Mr K also says he spent more than eight hours on the phone chasing Advantage and its agents for updates – and he's sent us screenshots from his phone showing the length of some of these calls.

Advantage has paid Mr K £315 in compensation for the distress and inconvenience it's caused him. And it also gave him the use of a hire car after it said his car was a total loss – something it wasn't required to do under the terms and conditions of Mr K's policy.

I'm in no doubt from what Mr K says that Advantage's failings have significantly inconvenienced and disrupted his life and caused him considerable distress, upset and worry over a number of weeks. For this, I think the compensation Advantage has paid Mr K of £315 is fair and reasonable.

But I also need to look at whether Advantage should compensate Mr K for the loss of use of his car. Based on what I've seen so far, I'm satisfied Mr K was unable to use his car because of Advantage's delays. So I think it's fair and reasonable to direct Advantage to make a compensation payment for loss of use. Until the car was written off, which wasn't until around nine weeks after the accident, Mr K wasn't sure how Advantage would settle his claim. So, (as I've already mentioned) Mr K had to make alternative arrangements when he wanted to travel – and had to miss out on some of his normal routine activities. Mr K's policy allowed him the use of a courtesy car once his car was at Advantage's nominated repairer. But because of the time it took for Advantage to get the car to the repairer (where it was then written off), Advantage didn't give Mr K a courtesy car.

In these circumstances, I intend to award Mr K £10 a day for the loss of use of his car from 10 November 2022 (the day after the accident) until 19 January 2023 (the day when I believe the car was written off). But I'm also conscious that, from 3 February 2023, Advantage arranged for Mr K to have the use of a hire car, something his policy didn't entitle him to because his car had been written off. I don't know for how long Mr K had the use of the hire car and I'd be grateful if he or Advantage could let me know. But I think it's fair and reasonable for Advantage to deduct £10 for each day Mr K had the use of the hire car from the loss of use compensation payment I've said I intend to award Mr K."

As I've mentioned, Mr K has accepted my provisional decision. Advantage hasn't commented on it (but it has told us Mr K's hire car agreement ended on 3 March 2023 – which is the date Mr K also gave us). And I've seen nothing to make me think I should alter the conclusions I reached in my provisional decision, which now form part of this final decision.

My final decision

For the reasons given in my provisional decision, I uphold Mr K's complaint and direct Advantage Insurance Company Limited to pay him £10 a day for the loss of use of his car from 10 November 2022 until 19 January 2023. Advantage Insurance Company Limited can

deduct from this compensation payment £10 for each day after 3 February 2023 that Mr K had the use of a hire car (which Advantage and Mr K says was until 3 March 2023).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 3 October 2023.

Jane Gallacher
Ombudsman