

The complaint

Mrs S complains that Advantage Insurance Company Limited didn't provide the refund it said it would when she cancelled her motor insurance policy.

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.

As the circumstances of this complaint aren't in dispute, I'll summarise my findings.

- Mrs S asked to remove her son from the policy. Advantage advised her to cancel the policy and take out a new one to get the best price. It also said she would receive a refund of around £60. Mrs S did this – but didn't receive the refund.
- Advantage then said no refund was due because Mrs S had paid the right amount for the time she was on cover prior to cancelling the policy. It accepted she had been misinformed about the refund and offered her £30 compensation.
- Our investigator agreed no refund was due, so she thought Advantage had acted fairly on that point. But she thought compensation should be increased to £100 to fairly reflect the impact on Mrs S of Advantage's misinformation.
- The policy says, in summary, that if it's cancelled, Advantage will charge an insurance premium for the number of days the policy was in place. And the arrangement fee for the policy will be charged in full. Advantage has now shown it did that. So I'm satisfied it charged Mrs S the right amount and no refund is due.
- Advantage accepts it gave Mrs S the wrong information when it said she would receive a refund. That's not in dispute. The impact of that is avoidable inconvenience for Mrs S. She had to contact Advantage again to find out why the promised refund hadn't been received. And it was only during our investigation that it set out clearly why no refund was due. That should have been provided much earlier.
- In these circumstances I'm not satisfied £30 compensation goes far enough. I agree with our investigator that £100 in total is reasonable. If Advantage has already paid £30, it need only pay the remaining £70.

My final decision

I uphold this complaint.

I require Advantage Insurance Company Limited to pay a total of £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 27 October 2023.

James Neville
Ombudsman