

## **The complaint**

Miss V is unhappy with how Advantage Insurance Company Limited handled a claim under her motor insurance policy.

Any reference to Advantage includes the actions of its agents.

## **What happened**

The circumstances of this complaint are well known to both parties, so I've summarised events.

- Miss V has a motor insurance policy which is underwritten by Advantage. At the end of June 2023, she was unfortunately, involved in a road traffic collision.
- Advantage arranged for Miss V to have a hire car while it reviewed the condition of her vehicle. Having decided her vehicle was a total loss, Advantage requested Miss V return the hire car in early July.
- Miss V didn't think this was fair and asked if the hire car could be extended. She said the hire car company had said a week's extension would be possible, but that Advantage would need to agree to it.
- Advantage said that where a vehicle has been declared a total loss, the policy holder isn't entitled to a hire car. And so, its request for Miss V to return the hire vehicle once this decision had been made was in line with the policy's terms and conditions.
- Unhappy, Miss V brought a complaint to this Service. An Investigator considered it and said Advantage needed to pay Miss V £100 compensation. She said Advantage hadn't managed Miss V's expectations about how long she'd be entitled to a hire vehicle. And she thought it could have agreed a short extension in Miss V's particular circumstances.
- In response, Miss V provided further information saying Advantage only needed to send the hire car company an email confirming she could have the car for an extra week, but it didn't agree to this. She also reiterated concerns about the valuation of the car – but the Investigator explained this had already been addressed in a separate complaint and so, didn't form part of this one.
- Advantage didn't respond and so, the complaint has been passed to me for an Ombudsman's 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 agree with the outcome our Investigator reached – I'll explain why. But

before I do, I want to clarify that the scope of this complaint is limited to those concerns about the hire car benefit under the policy. I'm aware Miss V has concerns about the valuation provided by Advantage in respect of her vehicle, but that has been addressed under a separate complaint. And so, I won't be commenting on it in my decision.

- The starting point is the policy document which says under *"About the replacement car service"*:

*"You won't be eligible for a replacement car if your car is stolen or considered to be a total loss / write off."*

- As Miss V's car was deemed a write off, she wasn't entitled to a hire car once this decision had been made. And so, I'm satisfied Advantage's request for her to return the hire vehicle was in line with the policy terms.
- I appreciate Miss V hadn't had the hire car for very long when Advantage requested she return it - that's because Advantage decided her car was a write-off shortly after the accident. But insurers are expected to handle claims promptly and so, Advantage providing a timely decision on the value and condition of her car is what I'd expect it to do.
- However, I agree with our Investigator that Advantage didn't clearly explain to Miss V that following its decision to write-off her vehicle, she wouldn't be entitled to a hire car and that the return of it could be requested at short notice. Had it done so, Miss V wouldn't have experienced the frustration she felt at having to return the hire car at short notice without another vehicle in place.
- I can't hold Advantage responsible for distress caused by the collision itself, but I can award compensation for difficulties I consider to be avoidable. And whilst I appreciate Advantage has a responsibility to keep costs to a minimum, in light of Miss V's circumstances – and it not being in dispute that it knew about her health condition - I think it would have been reasonable for it to agree a short extension for the hire car. This, and the lack of information about how long Miss V would be entitled to a hire car for, satisfies me that £100 compensation is reasonable in the circumstances of this complaint.

### **My final decision**

My final decision is I uphold this complaint and direct Advantage Insurance Company Limited to pay Miss V £100 compensation.

Advantage must pay the compensation within 28 days of the date on which we tell it Miss V accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 12 February 2024.

Nicola Beakhust  
**Ombudsman**