

The complaint

Mrs C complains that Advantage Insurance Company Limited mishandled a claim on her motor insurance policy.

What happened

The subject matter of the claim and the complaint is a saloon car, made by a premium-brand car maker and first registered in March 2011. It has a diesel engine and automatic transmission.

Mrs C acquired the car in February 2021, and she only has a driving licence for automatic cars (according to the later statement of insurance).

In early September 2021, the car passed an MOT test with a recorded mileage of about 73,500.

For the year from early December 2021, Mrs C insured the car through an insurance intermediary on a comprehensive policy with Advantage. Mrs C was the policyholder. The policy also covered her husband as a named driver.

Unfortunately, in late March 2022, the car was involved in an accident.

Advantage appointed a repairer.

Much of the complaint is about acts, omissions or communications by the intermediary or the repairer on behalf of Advantage. Insofar as I hold Advantage responsible for them, I may refer to them as acts, omissions or communications by Advantage.

Advantage provided Mrs C with a series of courtesy cars.

The repairer said the repairs were complete. But from about 6 April 2022, Mrs C complained that the car still had problems, in particular with wheel alignment.

For a second time, Advantage's repairer didn't do the work to a satisfactory standard. In late April 2022, Mrs C's husband took the car for a geometry test, which showed wheel misalignment. Mrs C also says the inspection alerted her to a leaking shock absorber near to the area of accident damage and repair.

On about 10 June 2022, Advantage asked Mrs C to return a courtesy car and take a smaller one.

In mid-June 2022, Advantage got an engineer to inspect the car outside Mrs C's home.

By an email dated early July 2022, Advantage told Mrs C of her right to bring her complaint to us. She did so straight away. She said she wanted the car fixed.

In mid-August 2022, Advantage provided two options for further rectification:

- Option 1: Book the vehicle in with the original repairer. A car hire company would provide a courtesy car for the duration of the rectification repairs. Following completion, an independent engineer would be instructed to sign off the rectification work, and the courtesy car would remain in place until the independent engineer had signed off the repairs.
- Option 2: Mrs C to obtain her own estimate for the rectification repairs and Advantage would organise these repairs to be authorised by an in-house engineer. A car hire company would provide a courtesy car for the duration of these repairs.

On about 26 August 2022, Mrs C declined either of these options.

There followed a hiatus - during which Mrs C had a courtesy car.

By mid- March 2023, Mrs C had obtained her own estimate for repairs to the car's suspension and Advantage authorised such repairs.

By late April 2023, Mrs C had arranged the repairs and Advantage had paid the cost.

Mrs C complained through us to Advantage that it should pay compensation.

In about mid-May 2023, Advantage withdrew the courtesy car.

By a final response dated mid-May 2023, Advantage apologised for delay up to August 2022 and said it was sending Mrs C £400.00 as compensation. But Advantage said it wasn't responsible for the delay after Mrs C's refusal of either of the options it had given in August 2022.

Mrs C asked us to investigate.

Unfortunately, by the summer of 2023, Mrs C had relapsing remitting multiple sclerosis.

our investigator's opinion

At first, our investigator didn't recommend that the complaint should be upheld. He thought that the £400.00 was in line with what he would've recommended.

Later, the investigator changed his view. He thought that the service and stress caused from the claim had contributed towards Mrs C's medical condition. He recommended that Advantage should pay further compensation of £400.00 for the distress and inconvenience caused, bringing the total compensation to £800.00.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mrs C and to Advantage on 12 December 2023. I summarise my findings:

I'd weighed up the evidence of Advantage's shortcomings and the impact on Mrs C at an already difficult time for her.

Subject to any further information either from Mrs C or from Advantage, my provisional decision was that I upheld this complaint in part. I intended to direct Advantage Insurance Company Limited to pay Mrs C, in addition to the £400.00 already paid, a further £250.00 for distress and inconvenience.

Mrs C, through her husband responded to the provisional decision. He said, in summary, that:

- He finds the outcome unfair on a few points.
- He is reluctant to decide on acceptance at this stage.

Advantage hasn't responded to the provisional decision.

In the absence of any more detail, I see no reason to change my view.

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.

I've taken into account the relevant law, policy terms, regulation and good practice. Above all I have to decide what's fair and reasonable. That is within the jurisdiction of the Financial Ombudsman Service.

The Financial Conduct Authority (and we) expect an insurer to settle a claim fairly and promptly, and not to cause avoidable delays.

I note that, when she took out the policy in December 2021, Mrs C said that both she and her husband had access to another vehicle. So I find it likely that he also had a car at that time.

Advantage's policy terms included the following term about a courtesy car or "replacement car":

"The replacement car will be provided by your Insurer's Nominated Repairer. The service is only available while your Car is being repaired. The replacement car will usually be a group A vehicle...."

In my view, the accident and the need to make a claim were bound to cause Mrs C some inconvenience and upset.

Advantage was responsible for an unsatisfactory repair and an unsatisfactory attempt at rectification work.

The steering geometry report in late April 2022 recorded the mileage of Mrs C's car as 80,921. And the report in mid-June 2022 recorded the mileage of Mrs C's car as 81,027. So Mrs C and her husband had driven the car for only about 100 miles in the meantime.

So I don't find it fair for Advantage to rely on the policy term about a group A vehicle in relation to a period after it had failed - twice - to repair the car to a satisfactory standard and the car needed yet further rectification work.

I don't find that Mrs C was unreasonable or uncooperative in not wanting the same repairer to attempt a third repair, or in being reluctant to have a repairer whose work Advantage wouldn't guarantee. So I don't accept that Advantage shouldn't compensate Mrs C for anything after it set out the options in August 2022.

I accept that Mrs C or her husband ended up driving a small courtesy car for several months. I accept Mrs C's statement that she felt anxious about driving a small car especially on motorways.

However from its MOT history, I see that Mrs C's car passed an MOT test in early September 2022 with a recorded mileage of 82,986. So I find that Mrs C or her husband had driven her car nearly 2,000 miles between mid-June and early September 2022.

I find it likely that they continued to drive the car from September 2022 until it went in for repair again in about April 2023. So they had the use of her car in addition to the courtesy car. Mrs C's husband hasn't said whether he also still had a car.

I accept that Advantage caused Mrs C about a year of inconvenience and distress. That included not only inconvenience and anxiety about the courtesy car but also some stressful telephone conversations.

Mrs C's medical consultant wrote a letter including the following:

"there is good evidence that stress is a potential trigger for MS relapses"

That is generally supportive. However, the consultant's letter also included the following:

"...smoking is associated with a worse outcome in MS and you and your husband are going to try to stop smoking..."

So the consultant considered that smoking and stress were both risk factors.

In my view, the consultant's letter stopped short of expressing an opinion that Advantage had caused Mrs C such stress as to cause or significantly contribute towards her relapses. So I don't consider that there's enough medical evidence to say that Advantage caused damage to Mrs C's health.

Nevertheless, I've found that Advantage caused Mrs C about a year of inconvenience and distress.

Advantage's payment of £400.00 only related to the period up to August 2022. And I consider that was fair and reasonable and in line with our guidelines. However, I haven't accepted that Advantage shouldn't compensate Mrs C for anything after it set out the options in August 2022. I keep in mind the impact that Advantage continued to cause on Mrs C until mid-May 2023.

I accept that Advantage mitigated the impact on Mrs C to some extent by providing a courtesy car until mid-May 2023. In addition, I've found it likely that Mrs C and her husband continued to drive her car from mid-June 2022 to at least April 2023.

From a vehicle check, I see that DVLA issued a V5 registration document for the car in late July 2023. And from its MOT history, I see that the car passed an MOT test in early September 2023 with a recorded mileage of about 89,000. Mrs C hasn't said whether she sold the car in July 2023.

Putting things right

Overall, I've weighed up the evidence of Advantage's shortcomings and the impact on Mrs C at an already difficult time for her. I find it fair and reasonable to direct Advantage to pay her – in addition to its payment of £400.00 – a further £250.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Advantage Insurance Company Limited to pay Mrs C, in addition to the £400.00 already paid, a further £250.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 8 February 2024.

Christopher Gilbert

Ombudsman