

## **The complaint**

Ms C complains about Advantage Insurance Company Limited's (Advantage) handling of a claim on her car insurance policy following an accident.

## **What happened**

Following a road traffic accident, Ms C's car was sent to an approved repairer through her insurance company Advantage. She says the car was two months old at this point and the accident wasn't her fault. The car was in repair from January to July 2023 during which period Ms C was given a replacement hire car via a third party hire company. She complains this hire was revoked without warning or explanation and she was threatened with police involvement if she didn't return the car.

In addition to this complains about the following:-

- She has been unable to travel to work and needs her car for work.
- Loss of earnings £37 per hour for 37 hours per week for two weeks when the hire car was revoked
- She was at risk of losing in excess of the £1000 she paid for a holiday in Devon as she no longer had the means to travel there.
- The total loss valuation of car £18960 differs from the valuation used for repair purposes
- She received payment seven months after car was sent for repairs
- Finance payments she's made when she did not have the car in her possession since 20 October 2022
- Delays and errors made in their liability assessment
- Period of inconvenience when courtesy car was revoked
- Delays in retrieving her car from Wales at first notification of loss on 27 October 2022 to 14 January 2023.
- Hours of time spent dealing with the complaint
- Issues with obtaining a replacement hire car when one was already agreed with the rental company insurer instructed

She says the whole process has affected her mental health.

Advantage issued a final response letter on 25 May 2023 saying her policy didn't entitle her to a hire car for the whole period and they had gone above the policy terms once the existing hire was finished. In relation to the hire car being revoked, this was after six months of being provided a hire car. They say the car was hired from a third party who were entitled to withdraw the service or refrain from offering one as they see fit.

They say the car repair delays were because Ms C didn't authorise the repairs as she wanted it to be a total loss from the outset, which isn't the process they follow. The total loss was only agreed later due to issues in obtaining parts – these issues were already addressed as part of another linked complaint.

Advantage initially accepted delay in making a payment in a previous complaint and increased this by a further £30 to a total £150 and apologised, but later said there was no delay in making the payment but because Ms C had lost out of 3 days car hire, the considered £30 was sufficient to compensate for this.

They also add, they wouldn't reimburse the consumer for the payments they've made for the finance of the car as this was an agreement between them and Ms C. They paid the full valuation of the vehicle, and the funds were used to pay off the remaining finance agreement and the balance was paid to Ms C. They didn't uphold the complaint.

As they didn't uphold his complaint, Ms C brought her complaint to this service. Our investigator said Advantage had fairly compensated her for the 12 days of hire she lost. She also awarded Ms C £300 for overall delays and distress caused.

Advantage responded to the view, requesting clarification of why the award of £300 was made as they felt this wasn't explained. They say that delays and overall distress caused across the various complaint points had already been considered and compensated. Advantage didn't accept the investigators view, so this has come to me for a decision. Ms C has more recently also confirmed the car hire to Devon was agreed but showed up two days later than planned and was given mixed information as to when the car had to be returned. At first, she was told it was before her holiday ended, but was collected late. She found the incident to be upsetting.

I issued a provisional decision on 27 December 2023 explaining why I was intending to uphold this complaint. I include this below.

### **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.

### ***What I've provisionally decided – and why***

*I've considered which of these complaint points still remains outstanding, as much of these points have already been resolved or considered in the linked complaint.*

*The issue of delays in the car repairs, delays and errors made in their liability assessment and whether it should have been a total loss or repaired has already been considered, as well as delays in making previously awarded compensation so I won't address these here again.*

*Ms C's claims she suffered from loss of earnings at £37 per hour for 37 hours per week for one week when the hire car was revoked, but I haven't seen any further details or evidence to support this claim. In the absence of any further information, I am unable to consider this any further.*

*Ms C's complaint about losing funds she paid for a holiday in Devon, no longer apply as she was able to go on holiday. However, I can see the replacement hire car was still an ongoing issue while she was on holiday, and this has caused her additional upset. She mentions again that she hasn't been given an explanation as to what she did wrong in respect of the hire for it to have been withdrawn or to have received the communication threatening police action.*

*Ms C had also raised a further complaint about the valuation used for total loss purposes. She said this was £18,960, but that this valuation differs from what she was told for valuation*

*purposes. I'm aware that the total loss was agreed in May 2023 and payment has already been made, and since no further information has been noted in relation to this, I won't consider this point further.*

*What hasn't been addressed is Ms C's complaint about having to make payments to her finance company for a car that she was unable to make use of because of the delays in issues with Advantage. This element of the complaint is not one we would consider here. Ms C's agreement with her finance company is separate to the complaint she's brought against the insurer.*

### **Putting things right**

*When putting things right, my aim is to put Ms C back in a position she would have been in, if the error had not happened and whatever the outcome of the complaint, it is not for the consumer to benefit from an error that has been made. Whether the car was in her possession or not, or whether Advantage had made an error, Ms C would still have been required to make payments to the finance company and so the inconvenience of not having a car is something that can be considered and could be compensated for but not the payment the finance company which would still need to be paid even if the error from Advantage hadn't happened.*

*I've looked at Ms C's complaint about the car hire not being provided for an additional twelve days. Advantage agreed this wasn't provided when it should have been but did cover nine additional days hire outside of this period to compensate for the days they failed to provide a replacement car. This still left a further three days for which Advantage paid Ms C £10 a day. I appreciate Ms C doesn't feel this adequately compensates her, but £10 a day is the established day rate to cover the additional days lost hire, so I am satisfied the correct daily rate has been applied.*

*That said, I've thought carefully about the level of compensation I would consider fair in this situation. I don't think paying for the additional days loss of car hire alone, adequately compensates her for the level of distress and inconvenience she suffered because of not having a hire car for this period. There was uncertainty of not knowing if she was able to work or go where she wants or having the car hire withdrawn without notice, has had a significant impact on Ms C's mental health.*

*There is also the additional upset caused about when the hire car would be provided and when it had to be returned whilst she was on holiday in Devon. Considering the impact to her convenience and her overall mental health, I think Advantage should compensate her £300 in addition to any payments previously awarded.*

### **My provisional decision**

*For the reasons given above, I intend to uphold this complaint against Advantage Insurance Company Limited. I intend to direct them to pay Ms C an additional £300 for the distress and inconvenience they've caused.*

### **Responses to my provisional decision**

*Ms C responded to accept my provisional decision and confirmed she was not seeking loss of earnings. She also stated she was still looking for an explanation as to why the car hire was revoked unexpectedly.*

*Advantage had previously stated Ms C had been in hire for six months and it was the hire company's discretion when they terminate hire, but no explanation was given for why,*

particularly as she had received a letter from the hire company advising her, she had *“failed to adhere to the terms and conditions of your rental agreement.”*

In response to Ms C’s ongoing query about the hire being revoked, Advantage made three key points.

1. The hire car had been provided for six months of which for three months there had been no movement due to Ms C disputing the vehicle being repairable.
2. The hire company were concerned about being able to justify their costs to make a recovery where the claim progression was being delayed.
3. It is the hire company’s discretion when they terminate hire and whether they continue to provide hire.

They had no further points to add in relation to my provisional decision.

### **Putting things right**

Comments from Advantage about hire being revoked have been noted and passed to Ms C. I don’t think there is anything further to add here as there is no information that would lead to me to make changes to my provisional decision.

Ms C accepted my provisional decision and Advantage confirmed they have nothing further to add, so I see no reason to depart from my provisional findings and make the same findings here.

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint against Advantage Insurance Company Limited. They should pay Ms C £300 for the distress and inconvenience they’ve caused.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms C to accept or reject my decision before 19 February 2024.

Naima Abdul-Rasool  
**Ombudsman**