

The complaint

Miss M complains that Advantage Insurance Company Limited provided poor customer service when handling a claim under her motor insurance policy.

Where I refer to Advantage, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

In August 2023, Miss M was involved in an accident and her car was damaged. She made a claim on her motor insurance policy, which Advantage accepted, and repairs were arranged.

Just over three weeks later, Miss M's car was deemed a total loss.

There were several things which caused a delay in Advantage reaching this decision. Firstly, due to a system error, its instructions to the repairers weren't received until five days later. And many garages didn't have capacity to take on the job. Then the repairers couldn't get hold of Miss M for eight days. When Miss M did get in touch, she asked for a different repairer to be instructed as a hire car wasn't available. Advantage had to source a hire car through a third-party.

As a result of this series of delays, it took almost three weeks to get the car on site for repair and a hire car supplied to Miss M. And four days later Miss M was informed the car would be written off.

Miss M complains about the lack of information, communication, guidance, and human compassion received from Advantage. She says she had to spend many lunch breaks on the phone chasing up her claim and was often on hold for almost an hour. She says Advantage brought her to tears on multiple occasions.

Miss M tells us she needs a car for work and to care for her mother, and she was relying on other people giving her lifts and public transport and had to take time off work to get things sorted. And when she finally received a hire car, she only had it for five days and was told she had to return it that day or she'd be fined.

Advantage acknowledges that its service could've been better. It agrees there was a lack of communication and that it had been calling Miss M on the phone number it had on file from when she set up her policy rather than the one she'd given as her best contact number for the claim. It also gave her incorrect information about her excess on two occasions.

To put things right, Advantage sent Miss M a cheque for £75 in recognition of the distress and inconvenience it caused. But Miss M didn't think this fairly reflected what had gone wrong, so she contacted our service.

Advantage informed us that it was willing to increase the compensation to £200 which our Investigator thought was fair in the circumstances of the complaint. But Miss M didn't agree, so the complaint has been passed to me to decide.

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.

It's not in dispute that Advantage's customer service wasn't to the standard which Miss M could reasonably expect to receive. As I've explained above, Advantage has acknowledged this. So I don't need to make a finding on whether or not Advantage did something wrong here – it did. What I need to decide is whether it's done enough to put things right.

Compensation isn't intended to fine or punish a business, it's to recognise the impact the business' actions have had on its customer. So when deciding what amount would be fair, I need to consider how Miss M was affected by Advantage's actions.

Miss M has given us a very detailed account of how she'd been affected by the whole situation. I don't intend to comment on every point she's raised or possibly in the level of detail she would like, in order to reach my decision. I've read and considered everything she's told us, but I'll only comment on what I consider to be the key points. This isn't meant as a discourtesy, but it simply reflects the informal nature of our service.

I've no doubt Miss M would've experienced distress and inconvenience from the delays and poor customer service. I understand she tried to take out a loan to cover the excess when she was incorrectly advised it would be over £600. And she spent a lot of time on hold trying to speak to Advantage and not receiving calls to the correct contact number.

Miss M tells us she's been traumatised by this experience, and she now has a fear of driving. Whilst I'm sorry to hear this, I think this is most likely a result of the accident itself rather than anything Advantage did. I can't fairly attribute these feelings to Advantage's customer service.

I'm aware Miss M needed her car for work and to care for her mother, and she's told us how she was impacted without one. But Miss M's policy only provides a hire car for the time that her car is being repaired, not before or after. And I'm satisfied Advantage did provide one for that period of time. Once the car was written off, Miss M wasn't entitled to a hire car under the policy any longer. I'm also mindful that Miss M has told us she's so anxious to drive now that she's *"still not behind the wheel and do not plan to be anytime soon"*.

And finally, Miss M tells us she's scared to make phone calls to any businesses in case she's mistreated. Whilst I do accept Advantage's customer service could've been better, I've seen no evidence of mistreatment here.

Putting things right

Overall, I agree Miss M experienced some poor customer service and delays over a three-week period and compensation is warranted. And I'm satisfied the £200 offered by Advantage fairly reflects the impact to Miss M.

My final decision

For the reasons I've explained, I'm upholding the complaint and direct Advantage Insurance Company Limited to pay Miss M compensation of £200 in total. If payment has already been made for any or all of this amount, Advantage can deduct it and pay only the remaining balance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 7 May 2024.

Sheryl Sibley
Ombudsman