

## **The complaint**

Miss D complains about Advantage Insurance Company Limited's (Advantage) handling of a claim made under her car insurance policy.

## **What happened**

Miss D had a car insurance policy with Advantage. In January 2023 Miss D's car was broken into, damage was caused, and the dashboard and steering wheel were stolen. So, Miss D made a claim to Advantage.

However, Advantage was unable to find a repairer from their network who was willing to complete repairs. Ultimately a desktop review was undertaken by an independent engineer appointed by Advantage and the vehicle was deemed a total loss in April 2023. A total loss settlement offer was made to Miss D in May 2023 which she accepted.

During the course of the claim, Miss D raised complaints with Advantage about their handling of the claim and how long it was taking. Across the claim and complaints, Advantage offered a total of £125 compensation. They also provided a hire car, outside of the policy terms, for some of the time.

Miss D remains unhappy with the compensation she's been offered by Advantage and approached the Financial Ombudsman Service. Miss D has asked for:

- £695 – refund of the policy excess
- £43.89 – the cost of being added to her relative's car insurance
- £3,591 – (£399 per week for nine weeks) transport to work costs
- £2,000 – compensation

One of our investigators looked into things but he didn't uphold the complaint. He said that whilst it took a long time to get to point of settlement, Miss D wasn't entitled to a courtesy car under her policy because her car was a total loss. The investigator said that Advantage provided a hire car and £125 compensation, and he thought this was sufficient for what had happened.

Miss D didn't agree and asked for a final decision from an ombudsman.

I reached a slightly different outcome to our investigator, so I issued a provisional decision to give both parties an opportunity to comment on my initial findings before I reached my final decision.

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

In my provisional decision, I said:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."*

*I've reached a slightly different outcome to our investigator, so I'm issuing a provisional decision to give both parties an opportunity to comment on my initial findings before I reach my final decision.*

*Miss D has asked for Advantage to refund her £695 policy excess due to the service she received. However, I'm not intending to direct Advantage to refund this. This is because the excess would always have been payable by Miss D for the claim. And as Advantage has settled the claim, I don't think it would be fair or reasonable to direct them to waive the excess too.*

*However, it's clear the claim took much longer than could have been reasonably expected by Miss D. I've seen the claim notes, which are limited, but it's clear there were several delays throughout.*

*The delays initially stemmed from none of Advantage's approved repairers wanting to carry out the repairs. Advantage said in their final response that they'd normally expect a vehicle to be in a garage for repair within two days. But this didn't happen here. Instead, the notes indicate that at least five garages didn't want to be involved in carrying out repairs.*

*From 16 January 2023 to 30 March 2023 nothing happened in terms of progressing the claim, as Advantage couldn't find a repairer willing to complete works. And at that point, Advantage arranged for an independent engineer to desktop assess the vehicle and repairs required. They concluded that the repair costs were significant, and the vehicle was then deemed a total loss.*

*I think it took too long to get to that point. As I say, at least five repairers refused to complete repairs, so I think it would have been reasonable for Advantage to have explored other options such as an independent engineer at an earlier point in the claim. I recognise Advantage offered for Miss D to use her own garage and said they'd waive the £250 own repairer excess charge. But given Advantage was struggling to find a repairer willing to carry out works themselves, it is understandable that Miss D didn't want to take up this offer.*

*If Advantage had asked the independent engineer to carry out a desktop assessment sooner, then it would have been known that the car was going to be a total loss much sooner too, and Advantage could have then moved toward total loss settlement much earlier than they did. So, I think there is a period of partly avoidable delays here.*

*It also seems there was a month avoidable delay between the vehicle being deemed a total loss by the independent engineer on 5 April 2023 and total loss settlement actually being offered to Miss D on 4 May 2023. Miss D then disputed that settlement offer and it was increased slightly and accepted on 10 May 2023. So even after the independent engineer was appointed, it still took an unreasonable and avoidable amount of time to make an appropriate total loss settlement offer to Miss D.*

*It would have always taken some time for the claim to reach settlement, but I think some of these delays were avoidable had Advantage proactively managed the claim and appointed an independent engineer to carry out a desktop review sooner, which would have resulted in the car being deemed a total loss sooner than it was.*

*Having said that, Advantage says that Miss D was placed in a hire car due to the delays and to mitigate the impact of this. But this differs to what Miss D has told us, as she says she only actually had a hire car for one week from 14-21 February 2023. This is why Miss D wants Advantage to pay her commuting costs and costs for her to be added to a relative's insurance, as she didn't have access to a vehicle throughout this period.*

*However, I don't intend on directing Advantage to pay these costs. I'll explain why.*

*Firstly, Miss D's policy provides for a replacement (courtesy) car, whilst her car is in for repairs. But it doesn't provide for one if the vehicle is a total loss. Whilst the intention was to repair Miss D's vehicle, it never actually underwent repairs, so Miss D wasn't entitled to a replacement car under the terms of her policy.*

*But importantly, Miss D says she was added to her relative's insurance and paid £399 per week over nine weeks to enable her to commute to work, as she was without a vehicle during this time. However, Miss D's car insurance policy didn't cover her for commuting to work. Instead, it only covered her for social, domestic and pleasure use, and excluded commuting. So even though the claim took much longer than I think it reasonably should have, Miss D was never covered under her policy for commuting to work, so she wouldn't have been able to use her car for that purpose. So, I can't reasonably ask Advantage to cover these costs for the period she was without her car and had to pay to get to work.*

*But like I say, I think Advantage could have referred to an independent engineer much sooner, when it became evident that garages weren't willing to carry out repairs. Whilst I think Miss D would always have been without a car for some time, I think Advantage should have got to a total loss and settlement position much earlier than they did.*

*I can't know for certain exactly how long this would have taken had things happened more smoothly, but I think it would have been around half the duration. And I don't think £125 compensation is sufficient for what happened, and the extended inconvenience caused to Miss D. Unless anything changes as a result of the responses to my provisional decision, I intend to direct Advantage to increase the total compensation to £400 (including the £125 already offered) for the impact the delays caused to Miss D."*

So, I was minded to uphold the complaint in part and to direct Advantage to pay Miss D a total of £400 compensation.

## **The responses to my provisional decision**

Miss D responded to the provisional decision, but she didn't agree. Miss D said that she thought social, domestic and pleasure use on her policy also covered her for commuting. Miss D also said she thinks the compensation should be higher, and she'd be willing to settle for £1,500, in addition to the £125 already offered by Advantage.

Advantage responded to the provisional decision. They said they agreed with the findings, but felt the compensation was too generous. They said the insurance industry was under enormous pressure at the time, and finding a repairer represents the best interest of the policyholder. But they accepted things took too long and suggested £275 compensation was a more reasonable amount of compensation.

## **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.

And I've thought carefully about the provisional decision I reached, and the responses to it. Having done so, my final decision remains the same as my provisional decision, and for the same reasons.

Miss D says she thought social, domestic and pleasure cover on her policy also covered her for commuting to and from work. However, Miss D's insurance certificate says:

*"What's covered:*

- *Social, domestic and pleasure use.*

*What's not covered:*

- *Travelling to and from one permanent place of business or study.*
- *Trade, business and professional use and any use connected with the motor trade, hire or reward"*

So, this outlines there wasn't cover for travelling to or from work. Therefore, as explained in my provisional decision, I won't be directing Advantage to cover Miss D's costs of commuting to work.

I note that Miss D says she'd accept £1,500 compensation (in addition to the £125 already offered), and Advantage says they think £275 would be a more reasonable amount. Nothing either party has provided in response to the provisional decision has persuaded me to either increase or decrease the amount of compensation I was minded to award. And I'm still satisfied a total of £400 is a reasonable amount, for the reasons outlined in my provisional decision.

### **My final decision**

It's my final decision that I uphold this complaint in part and direct Advantage Insurance Company Limited to:

- Pay Miss D a total of £400 compensation (including the £125 already offered)

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 30 May 2024.

Callum Milne  
**Ombudsman**