

The complaint

Mr A complains Advantage Insurance Company Limited (Advantage) caused delays after he made a claim on his motor insurance policy.

Advantage are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Advantage accepted it is accountable for the actions of the intermediary, in my decision, any reference to Advantage includes the actions of the intermediary.

There are several parties and representatives of Advantage involved throughout the complaint but for the purposes of this complaint I'm only going to refer to Advantage.

What happened

Mr A was involved in an accident at the end of October 2023. He made a claim on his motor insurance policy. His car was assessed and it was deemed a total loss.

As there was outstanding finance on the car, Mr A obtained a settlement figure from the finance company and gave this to Advantage.

On 7 December 2023 Advantage contacted Mr A and made a total loss settlement offer for the car. Mr A accepted the offer. By the time Advantage began its process to pay the finance settlement it was found the figure obtained had expired. It contacted Mr A and he obtained a new settlement figure.

The outstanding finance was settled on 11 January 2024.

I saw Advantage Paid Mr A a total of £150 compensation for the delays caused with his claim. This was made up of £100 for a delay in making its total loss settlement offer and £50 for Mr A having to chase progress on the claim.

Because Mr A was not happy with Advantage, he brought the complaint to our service.

After his complaint was brought to our service Advantage paid a further £50 compensation for the delay in providing the settlement payment.

Our investigator upheld the complaint. They looked into the case and said although Advantage had taken responsibility for poor communication throughout the claim, the £200 compensation paid to Mr A wasn't within our guidelines. They said considering the impact not having a car for work had on Mr A, and as the delay had caused considerable distress, upset, worry and significant disruption, a further £400 should be offered.

As Advantage is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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 saw Mr A made the claim on his motor insurance policy that he held with Advantage at the end of October 2023. When the car was inspected by Advantage's approved engineers on 8 November 2023 it was found to be beyond economical repair and therefore was deemed a total loss.

As the car had outstanding finance Advantage asked Mr A to obtain a finance settlement figure and also to submit paperwork for the car to it. I saw he did this by 16 November 2023. This meant on this date the only outstanding information to enable the claim to be settled and closed was the actual total loss settlement figure from Advantage. This was not provided to Mr A until 7 December 2023. I have not seen any explanation for this delay.

I saw that on 20 December 2023 Advantage tried to make the settlement payment, however the finance settlement amount had expired. This meant Mr A had to obtain a new finance settlement amount, of which he duly provided to Advantage on 27 December 2023.

Advantage finally paid the total loss settlement on 11 January 2024.

Advantage accept it caused several delays to this claim and paid Mr A a total of £200 in compensation. I have considered if this amount is fair in the circumstances of this complaint

Due to the delays in Advantage providing a settlement figure and starting to process the settlement payment the finance settlement figure had expired. Meaning a further delay whilst Mr A obtained a new settlement figure from the finance company.

If Advantage had provided its total loss settlement amount without any delay it could have settled Mr A's claim within a few days of him providing the first finance settlement amount and his paperwork on 16 November 2023.

Mr A's policy did not include the optional substitute vehicle cover which would have meant provision of a hire car, so during the delay with the settlement of his claim he was without use of a car. This caused significant disruption to Mr A in his role as a self-employed gardener. He provided evidence of contact to and from customers in which showed him trying to reorganise his workload and informing them of delays due to the lack of transport to get to jobs. I have no doubt that this caused considerable distress, upset and worry for longer than was necessary.

Several delays were caused by Advantage which meant Mr A was without settlement of his claim for approximately two months, which is much longer than it should have been,

Therefore, after taking everything into account, I don't think £200 is a fair and reasonable amount in the circumstances of this complaint. I uphold Mr A's complaint and require Advantage to pay him a further £400 compensation (total £600) for the distress and inconvenience caused due to the delays with his claim.

My final decision

For the reasons I have given I uphold this complaint.

I require Advantage Insurance Company Limited to pay Mr A a further £400 compensation (total £600) for the distress and inconvenience caused due to the delays with his claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 August 2024.

Sally-Ann Harding
Ombudsman