

The complaint

Miss B is unhappy with the service provided by Advantage Insurance Company Limited (Advantage) when reporting a claim under her car insurance policy.

What happened

Miss B called Advantage to make a claim for damage to her car on 24 August 2023. Miss B was referred to an amc, hereafter referred to as E, to deal with her claim. E initially dealt with Miss B's claim. But Miss B was unhappy with the service provided by E. The third party insurer (TPI) called Miss B and offered to provide a hire car and deal with the damage to her car. Miss B accepted the TPI's offer.

Advantage has explained that the process for starting a repair on Miss B's car began on 24 August when the claim was received. After this date, an estimate for repairs was received, and repairs were authorised on 30 August.

Miss B contacted Advantage on 4 September and said *'To confirm I have accepted offer as my car declared as a CAT S.'* Advantage responded to this email some weeks later on 22 September saying *'we received your email regarding accepting an offer, however I reviewed the claim and it doesn't seem we sent you an offer. Instead there's an update on the repairs, repairs have been authorised and parts have been ordered.'*

Miss B responded to Advantage's email on the same day saying *'I don't own the car anymore. It was written off and settled via [TPI]. I haven't heard anything from you in weeks and don't know anything about a repair etc. I sent an email at the time confirming I accepted offer for car as it's written off.'*

Miss B complained to Advantage about several aspects of its claim handling including the referral to E to deal with her claim, and the lack of updates provided about her claim. Advantage responded to Miss B's complaint and offered £40 in recognition of the lack of updates provided between 25 August and 22 September. Miss B was unhappy with this response, and brought the complaint to the Financial Ombudsman Service.

The investigator said that the service provided by Advantage had been poor. The investigator recommended Advantage increase its offer of compensation to £200. Miss B thought £250 would be fairer, referring to the contact she continued to receive about her claim in November 2023. Advantage didn't accept the investigator's findings saying Miss B ended up claiming through the TPI anyway. Advantage also said although Miss B's email of 4th September wasn't responded to in good time, this didn't have any impact on the claim itself, or timeliness. As the complaint couldn't be resolved, it has been passed to me for decision.

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'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that has been provided. I've focused my comments on what I think is relevant. If I haven't commented on any specific point it's because I don't believe it has affected what I think is the right outcome.

I've listened to the first notification call when Miss B advised Advantage about the incident, and wanting to make a claim. After discussing the claim circumstances, Miss B asked the Advantage representative '*What happens now I've never done this before?*' But Miss B wasn't told about the option to make a claim under her own insurance policy. Instead she was told about the services of E. I think it's reasonable to say Miss B was led to believe this was her only option.

Advantage say Miss B ended up using the services of the TPI. So her claim wasn't caused any detriment as a result of the information given during the call. But I don't agree that this negates the poor service provided, or impact on Miss B.

Miss B has described at length her experience with E. And whilst the service provided by E isn't within the scope of this complaint, I agree with our investigator that it wasn't made clear to Miss B when she called that she could elect to claim under her own policy instead of using the services of E, and more specifically, what the impact would be in choosing E. Advantage's failure to provide clear information meant that Miss B was denied the opportunity to make an informed decision. I can't be certain what Miss B would've done if clear information had been provided. But I think it's reasonable for Advantage to pay compensation in recognition of this missed opportunity.

Advantage say that increasing compensation '*for not responding to an unclear email from [Miss B] for a matter of days which didn't have any impact on the claim moving forward is excessive, given this was a one-off short delay.*' I've carefully considered these comments. But I don't agree that the impact was nominal in the way that Advantage has described. I'll explain why.

Putting a price on any kind of trouble and upset experienced is never an exact science. In this case, Miss B has provided a compelling testimony about the impact on her as a result of the lack of proactive management of her claim, and confusing updates. It's not disputed that Miss B advised Advantage early on in the claim that she had accepted an offer for her claim. At that time, repairs had only just been authorised. So Advantage ought to have been aware of the status of Miss B's claim, and made reasonable attempts to clarify Miss B's email. As the business responsible for managing Miss B's claim, I think it ought to have had more oversight over the claim. If it had done so early in the claims process, this would've avoided the later confusing messages about the claim status, and Miss B's car being in for repair.

I recognise Advantage's point about the TPI also not informing Advantage that it had taken over the claim. But this complaint concerns the actions of Advantage. So I think it's reasonable to consider how it handled the claim, and the impact on Miss B as a result of its lack of communication with her in a timely way.

It's not disputed that Miss B was heavily pregnant around the time of the communications with Advantage about her claim. She also advised of this during the first notification call. When assessing impact, I am persuaded by Miss B's testimony about the upset and stress caused to her by the confusing messages about her claim given her circumstances at the time.

The investigator recommended Advantage pay Miss B £200 in recognition of its poor service, and the impact on Miss B. Having considered what's happened, alongside our

award bands, I'm persuaded this amount is fair. I appreciate Miss B feels strongly that Advantage should pay her more.

I'm mindful that insurance claims like Miss B's can often involve a level of stress and inconvenience even when settled in line with the way we'd expect. And I've considered the number of parties involved in this claim- including E and the TPI that do not all within the scope of my decision. Although I don't dispute what Miss B has explained about the considerable stress caused to her, in line with our rules, my direction for putting things right concerns the actions of Advantage only. All things considered I am persuaded £200 compensation is reasonable, and in line with what we would direct in the circumstances.

Overall I think Miss B wasn't provided with sufficient information for her to make an informed choice about how to proceed with her claim. And the service provided by Advantage in communicating with Miss B about her claim was poor. The investigator recommended £200, and I think this amount is fair and reasonable for the reasons I've explained.

My final decision

I've decided to uphold Miss B's complaint. Advantage Insurance Company Limited is directed to pay Miss B £200 compensation. If any part of this compensation has already been paid, Advantage Insurance Company Limited is directed to pay the outstanding amount only.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 9 October 2024.

Neeta Karelia
Ombudsman