

## **The complaint**

Mrs C's representative complains on her behalf that Advantage Insurance Company Limited (Advantage) did not follow the correct procedures for dealing with her claim and wrote her car off as a total loss without her authority. She said it has caused delays to progression of her claim.

References to Mrs C, or her representative, will include the other.

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

## **What happened**

On 26 January 2024 Mrs C's car was hit by a drunk driver whilst it was parked outside her home. She made a claim on her motor insurance policy. Advantage instructed its recovery partner to remove the car and it was taken into storage. The car was inspected by Advantage, and it registered it as a category B total loss.

When Advantage started to validate Mrs C's claim it was found that her policy only covered third party, fire, and theft (TPFT). It informed Mrs C that this meant it could not cover her claim and she would need to claim from the third-party insurer (TPI). Advantage closed the claim.

Mrs C tried to progress her claim with the TPI but it said because Advantage had registered the car as a category B total loss with the Motor Insurance Anti-Fraud & Theft Register (MIAFTR) that it was also unable to progress her claim.

Because Mrs C was not happy with Advantage, she brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said Mrs C has been without her settlement payment due to Advantage's errors so it should take responsibility for ensuring the TPI can deal with the claim. They said if Advantage and the TPI were unable to reach an agreement on who will deal with her claim then Advantage should deal with it. They said Advantage should pay £400 compensation.

As Mrs C's representative 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.

In this case Mrs C was the victim of a drunk driver's actions when they collided with her parked car. She has not been held at fault in any way for the damage caused to her car.

When Mrs C reported the incident to Advantage, it did not check the cover she held. It accepts it should have checked this and because she only had cover for third-party fire and theft, she should have been referred to the TPI straight away.

However, Advantage incorrectly started to progress a claim on her behalf. When Advantage noticed its mistake it closed the claim and passed her on to the TPI. But it did not delete the information it had registered with MIAFTR about the car being a total loss.

The TPI accepted Mrs C's claim but when it began to progress her claim and found that as Advantage had already registered the car as a total loss it was unable to continue with the claim.

The TPI told Advantage if it removed the marker it had made on MIAFTR it could deal with Mrs C's claim.

Advantage confirmed to our service on 1 July 2024 that the total loss marker had been removed from Mrs C's car. It provided evidence it had informed the TPI that this had been completed.

Mrs C's representative confirmed on 26 September 2024 that the TPI has not been in touch with her or Mrs C .

Advantage's mistake at the start of the claim by opening a claim and progressing it as if Mrs C had comprehensive cover. And it then caused further delays when it closed her claim and passed her on to the TPI without deleting the information it had registered on MIAFTR.

I accept that this has now all been completed but the TPI has not progressed the claim and Mrs C is still without payment for her car more than eight months later.

The incident in which Mrs C's car was damaged, the error made by Advantage and the delays now with the TPI are not Mrs C's fault. She has been inconvenienced through no fault of her own and I recognise this must be incredibly stressful for her.

Therefore, I uphold Mrs C's complaint and I require Advantage to offer immediate support to Mrs C to progress her claim with the TPI to avoid any further delays.

### **Putting things right**

I require Advantage to obtain confirmation from the TPI that it is now dealing with the claim and confirm this to Mrs C in writing. If the TPI does not deal with Mrs C's claim Advantage should deal with her claim for her car and belongings in the same manner the TPI should have. 8% simple interest should be paid on the settlement.

I also require it to pay her compensation of £400 for the distress and inconvenience its errors have caused to her.

### **My final decision**

For the reasons I have given I uphold this complaint.

I require Advantage Insurance Company Limited to:

- Obtain written confirmation from the TPI that it is now dealing with the claim and confirm this to Mrs C.

- Deal with Mrs C's claim itself, if two weeks after Mrs C has confirmed she has accepted my decision that the TPI has not started to do this, Advantage must deal with Mrs C's claim for her car and belongings in the same manner the TPI would have.
- Pay 8% simple interest on the settlement the TPI pays to Mrs C, from the date of the incident until the date the TPI confirms in writing it is dealing with the claim. Mrs C should provide evidence of the settlement payment from the TPI, to enable Advantage to calculate the interest.
- Pay Mrs C £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 28 October 2024.

Sally-Ann Harding  
**Ombudsman**