

The complaint

Ms W complains about how Advantage Insurance Company Limited (Advantage) handled a claim she made on her motor insurance policy.

What happened

In March 2022, Ms W's windscreen was intentionally damaged by a third-party whilst her car was parked.

Advantage arranged for repair of the windscreen and paid £75 to Ms W during the repair process for delays and £100 for failures in the repair. That compensation doesn't form part of this complaint.

Advantage instructed its own solicitors to advise on potential recovery of its costs. Ms W told Advantage she did not want her name to be involved with the matter due to safety concerns about the third-party. Advantage wrote to Ms W to confirm it would not pursue the third-party in order not to cause Ms W further difficulties with the third-party. It said that the claim was therefore closed and recorded as non-recoverable, along with allowing Ms W's no claims discount (NCD).

Ms W later contacted Advantage to request that it pursue the third-party. Advantage told Ms W that the solicitors had said they could not pursue the matter at that time because it was a criminal matter and that they would review whether the claim should be reopened once the solicitors gave further clarity. Ms W provided photos of the damage and said that the police had informed her the third-party had received a criminal caution.

In May 2024, Ms W complained to Advantage that it had not pursued the third-party as per her will. Advantage accepted there had been delay and its previous communications had not made clear it kept the claim open due to Ms W's request that it pursue the third-party. Advantage offered £200 compensation for these failures. Advantage also said that the open claim could not be changed to a non-fault rating because it hadn't been able to recover its losses.

Advantage's position didn't change. It said it offered reasonable compensation. It says Ms W has requested the claim remains open because she wants it to pursue the third-party. But it said it can record the matter as non-fault – allowing the NCD, if the claim is closed and the third party not pursued if Ms W prefers.

Ms W referred her complaint to this Service. She also noted that her partner's insurance premiums had increased due to Advantage recording the claim as "fault" with the Claims Underwriting Exchange (CUE).

Our Investigator thought Advantage had offered fair and reasonable compensation for the delays. They also thought the reason the claim remained open and had affected Ms W insurance premiums was because she requested it stay open. So they didn't think Advantage needed to compensate Ms W further.

Ms W didn't accept this outcome. In particular she felt that it had never been explained to her that she would need to agree to not pursue the third-party in order for the claim to be closed and the no-fault status to be maintained.

Our Investigator further considered this but didn't think it changed the outcome because Ms W had requested Advantage pursue the third-party and this had caused the claim to remain open. Our investigator recommended that Ms W respond to Advantage's offer to close the case and reinstate the non-fault status of the claim if she no longer wants to pursue the third-party.

Ms W disagreed as she felt it was never explained to her that it would be recorded as fault if Advantage pursued recovery. So the matter was 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.

I've come to the same conclusion as the investigator and I'll now explain why.

Advantage arranged for the repairs of Ms W's windscreen and instructed solicitors to advise them on the potential for recovery of their losses. Ms W did not wish to provide the solicitors with information they requested from her and was concerned about her name being associated with any recovery. This is something she was entitled to do and so it was reasonable that Advantage didn't pursue recovery at this point.

Ms W then clearly requested Advantage further pursue the third party and it said it would consider doing so. I consider that it was fair and reasonable for Advantage to deal with the matter in this way under the terms of the policy, especially since Ms W asked them to seek recovery. Advantage did delay in doing so but it has offered compensation for that, as noted below. The claim currently remains open at Ms W's request and open claims are rated in the same way as fault claims. Because the matter is open it is rated as fault – which means the NCD is disallowed. This is fair in the circumstances of Ms W requesting Advantage pursue the third party. I cannot comment on the exact reasons Ms W's partner's premiums increased as her partner is not a complainant here. However, a fault claim is likely to be rated as a higher risk than a non-fault claim more often than not. For the same reasons, I do not think that Advantage is responsible for the increased premiums Ms W's partner has experienced.

Advantage have since offered to close the claim and change the CUE status to non-fault – allowing the NCD - if Ms W no longer wants to pursue the third party. This is a reasonable offer. If she doesn't want to do this, I'm satisfied it is fair and reasonable for Advantage to seek to clarify further steps with the solicitors and to keep the claim open in the meantime which will mean the claim remains rated as fault and the NCD disallowed.

Advantage has offered Ms W £200 for the failures experienced in the process, specifically the delays in chasing their solicitors and the incorrect statement that the claim was closed and remained closed in July 2023. The call handler in July 2023 did indicate to Ms W that the claim being closed allowed it to be recorded as non-fault and that pursuing the third party could change the claim status. Advantage was entitled to proceed as it did with regard to reopening the claim and I consider it was fair for Advantage offer £200 compensation.

For these reasons, I uphold Ms W's complaint in part.

My final decision

For the reasons set out above, my final decision is I that I uphold this complaint in part and require Advantage to pay the sum of £200 directly to Ms W.

Ms W should also notify Advantage whether she wishes it to continue to consider steps to pursue the third-party or whether she wishes to accept its offer to close the claim and return the status to non-fault with the CEU.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 28 December 2024.

Andrew Wallis
Ombudsman