

## **The complaint**

Ms B complains about Advantage Insurance Company Limited's handling of her car insurance claim.

## **What happened**

Advantage has been represented by its agents during the claim. All references to Advantage include its agents.

Ms B took out a car insurance policy in May 2023. Shortly after the policy started, her car was hit by a third-party while it was parked. Ms B made a claim with Advantage.

Advantage collected the car in June 2023. After it told Ms B it considered the car a total loss, Ms B recovered her car and obtained her own estimate for repairs. In July 2023, Advantage agreed to pay cash in lieu (CIL) of repairs based on Ms B's estimate. Ms B complained in August 2023 about the handling of her claim.

Advantage issued a complaint response in October 2023. It felt it had settled the claim fairly, but accepted there had been failings, such as delays in settling the claim and pursuing the third-party for costs. It also accepted there was poor communication and it had provided unclear information on occasion. It offered £350 compensation to make up for these mistakes, but it didn't agree to refund the excess or reinstate the no claims discount (NCD).

Ms B was unhappy with Advantage's response and referred her complaint to the Financial Ombudsman Service. She wanted Advantage to pay £3,641.53 in total, to cover the costs she incurred until she repaired the car, and the distress and inconvenience she experienced.

Our Investigator didn't uphold the complaint. She felt Advantage acted fairly in making a total loss decision, and it wasn't responsible for how long it took Ms B to complete the repairs. She didn't feel Ms B's losses were covered under the terms, and it wasn't fair to ask Advantage to refund her premiums. She felt the £350 compensation Advantage offered was fair for the poor service, and it didn't need to refund the excess.

Ms B didn't agree with the Investigator. She said the excessive repair estimate from Advantage's approved repairer (AR) delayed repairs and Advantage failed to take material steps to pursue the third-party. She was unhappy with the communication and pointed out Advantage attempted to scrap her car without her knowledge.

Because the complaint couldn't be resolved, it's been 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.

Ms B has provided a lot of information in support of her complaint. I assure Ms B that I've taken everything she's provided into account. But in this decision I've focussed on what I

think are the key issues in this complaint. No discourtesy is intended by this, but it simply reflects the informal nature of the way the Financial Ombudsman Service reviews complaints.

### *Total loss decision*

Ms B is unhappy with Advantage's initial decision to declare the car a total loss.

It's not unusual for insurers to decide a vehicle's uneconomical to repair once the repair costs reach around 60-70% of its pre-accident market value. On the £2,000 value Ms B declared for her car, that's around £1,200 - £1,400. To be clear, I don't think the repair costs needed to reach or exceed the value of Ms B's car, for Advantage to fairly decide the car was a total loss.

Ms B told Advantage in July 2023, the total cost of repairs, according to her own estimate, was £1,397.56 including VAT. I agree the AR's estimate of £3,226.15 was excessive in comparison, but I don't think a more reasonable AR estimate would have changed Advantage's total loss decision. I'm satisfied overall that Advantage acted fairly in deciding the car was a total loss. I also don't think it acted unfairly in recording this, albeit I can see it removed the marker very quickly after Ms B challenged the total loss decision.

Ms B wanted to repair her car and Advantage settled the claim on a CIL of repairs basis. So, I don't think Advantage was required to provide her the valuation she's requested. Ms B also wants Advantage to confirm it would honour the £2,000 valuation she declared. The policy terms say the most Advantage will pay is the market value of the car at the time of the loss or damage. And because the market value of the car can change over time, I don't think Advantage is required to provide this confirmation.

### *Recovery actions*

Ms B feels Advantage hasn't done enough to chase the third-party. She's said the CCTV showed the company the third-party vehicle belonged to. On this basis, she feels it's unreasonable for Advantage to withhold her excess and not allow her NCD.

Advantage accepts it didn't review the information Ms B provided in early June 2023, until later that month. So I'm satisfied there was some delay. But I've reviewed the evidence of its actions since, and I can see it has tried to contact the third-party company by phone, and also sent the allegations in writing.

Advantage accepts it could have tried to find the company director details sooner, so I'm satisfied there was some delay here too. But since then, I can see that it tried to contact the individual directly, but he refused to recognise Advantage's contact as legitimate. And even after it sent information in writing about the costs (including Ms B's excess), and confirmation of the CCTV footage showing the company logo, it received no response.

Advantage then appointed solicitors, who I'll refer to as H. H said in December 2023, it would be unable to issue proceedings against the third-party without a vehicle registration – this was not visible in the CCTV footage or stills. Ms B thinks Advantage should have attempted to improve the resolution to obtain the registration. Advantage has sent us evidence of the clearest image it has been able to obtain. And having seen this, I'm not persuaded this can be improved to show the registration, so I can't reasonably say Advantage should have done this. I can however see that Advantage didn't keep Ms B updated, and its miscommunication with H did cause some delay.

I think Advantage has taken reasonable steps to date, to contact the third-party and seek

recovery of the claim costs. As outlined above, I don't think it updated Ms B as it should have, and it did cause some delay, which I think would've caused Ms B some avoidable distress and worry. But, given the lack of response from the third-party, I don't think this impacted on whether Advantage will ultimately be able to recover these costs. It is also for this reason I don't think Advantage is responsible for the increased insurance premiums Ms B says she is likely to pay, due to the claim not yet being settled in her favour.

### *Excess and NCD*

Ms B feels Advantage should allow her NCD and reimburse the excess that was deducted from her claim settlement.

The terms make it clear the excess is the amount Ms B would have to pay towards the first part of any claim she makes, even if the damage or loss isn't her fault. The excess is therefore an uninsured loss, and Advantage isn't required to recover this for Ms B. Advantage has said it will reimburse Ms B's excess if it is able to obtain an admission of liability from the third-party and I think this is fair.

The terms also say Ms B's NCD will be reduced if she makes a claim and Advantage is unable to recover its costs from a third-party. For the same reasons outlined above, I don't think Advantage has acted unfairly in not allowing her NCD.

### *Poor service and delays*

In considering what is a fair and reasonable outcome, I've reviewed the information about what happened on the claim, and what Ms B has said about the impact of this on her.

Advantage accepts there was a 10-day delay in initially getting the car to the repair site, so I'm satisfied there was some delay and poor service here.

Ms B didn't agree with the total loss decision and chose to obtain her own estimate, so I don't think it's fair to hold Advantage responsible for delays because of this. Advantage required a written estimate in order to authorise the repair or costs, and I don't think it was wrong to do this. Ms B says Advantage told her it would accept information verbally, but I've not seen evidence of this.

I've seen that Ms B emailed Advantage on 11 July 2023 to provide the written estimate. I don't think it was unreasonable for Advantage to question the estimate as it didn't mention the rear wing repair, and the post incident photos show this area was likely impacted. Advantage tried to contact Ms B's repairer, without success, so I think it acted reasonably.

When Ms B emailed Advantage in July 2023 to accept a total loss settlement, she requested the full £2,000 value of the car, and wanted her NCD allowed. But Advantage wasn't required to allow her NCD, and Ms B would've had to pay a cost to retain the car. Because Ms B added terms Advantage wasn't required to agree to, I don't think it caused delay here.

As a result, Advantage agree to pay Ms B CIL of repairs based on her estimate. I think it acted fairly. And I don't think this means its initial decision of a total loss was unfair.

Ms B says the repairs were completed in August 2023. I don't think Advantage is responsible for the time taken by Ms B and her repairer. Advantage accepts there was delay in paying the settlement, so I think this amounts to poor service. But I don't think this delayed repairs as Ms B was able to pay the invoice prior to the settlement. And given the relatively short period between Ms B's payment for the repairs, and the settlement, I don't think it's appropriate to direct Advantage to pay interest on this.

Advantage accepts it didn't provide the service it should have, it didn't get back to Ms B as agreed and communicated with her poorly, causing confusion. It also accepts some delay, which I've outlined above. I think all this would have caused Ms B considerable distress, upset and worry.

#### *Financial losses*

Ms B wants Advantage to cover losses including insurance costs, car tax costs and parking fees. But because these are costs she'd always have incurred, I don't think it's fair to direct Advantage to reimburse them. And I don't think Advantage caused significant delay to the repair of Ms B's car, so I don't think it would fairly be responsible for any additional costs she incurred as a result of being without the use of her car.

I've explained above why I won't be directing Advantage to reimburse her excess or pay her for any increased insurance premiums.

And because the terms exclude cover for loss of use of her car, or if she's out of pocket as a result, Advantage isn't required to cover these losses under the policy.

#### *Non-financial losses*

I've explained above why I think Advantage was responsible for some delays, provided poor service and communicated poorly, causing Ms B considerable distress, upset and worry. But I don't think it caused delay amounting to the entire period between the claim being made and the car being repaired. So, I don't think the £1,500 compensation Ms B asked for is fair.

For the reasons outlined above, I think the £350 compensation Advantage paid Ms B is fair and reasonable in the circumstances, so I won't be directing Advantage to do anything more.

#### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 19 November 2024.

Monjur Alam  
**Ombudsman**