

The complaint

Mr A complains about how Advantage Insurance Company Limited (Advantage) recorded a claim under his home insurance policy for damage to his property from a leak.

Reference to Advantage in this decision includes their agents.

What happened

Mr A took out a home insurance policy with Advantage in April 2023 at an annual premium of £128.85. In July 2023 he discovered a leak, causing part of a ceiling to come down. He called Advantage to enquire how to make a claim for the damage. Advantage appointed a firm (MA) to manage the claim, who in turn appointed a firm (R) to visit the property and inspect the damage. Advantage also advised Mr A of the excess under the policy (£500 compulsory and £250 voluntary) deductible on a claim for an escape of water. Mr A disputed the excess that would be payable.

R visited at the end of July and in their report they noted an escape of water from the bathroom, also affecting the ceiling of the utility room below, which had collapsed and been cleared, as well as the wall of the adjacent kitchen. R concluded the nature and extent of the damage meant the leak would have been ongoing for some time. R's report noted Mr A said he may withdraw the claim.

Advantage chased Mr A about whether he wanted to pursue a claim. In the event, Mr A didn't make a claim, so Advantage closed the claim in November 2023 (as notification only). They said they hadn't made any payments when closing the claim, meaning his no claims discount remained the same. They also said Mr A could restart the claim if he wished.

In April 2024, when his policy came up for renewal, he found Advantage had recorded a claim in July 2023 and it was still open on his insurance profile. Mr A was unhappy at having a claim recorded when he hadn't actually made a claim for the incident. So, he complained to Advantage.

In their final response, in May 2024, Advantage didn't uphold the complaint. On the recording of the claim, they said Mr A had an obligation under the terms and conditions of the policy to notify them of any damage to his property, even if a claim wasn't subsequently made. As Mr A had notified them of the damage and didn't say he wasn't going to claim, Advantage would log a claim on the claim database, which would be the same as a notification only event. That being the case, Advantage acted correctly.

On the issue of the policy excess, having reviewed Mr A's policy, Advantage said he had come to them through a comparison website. This would involve Mr A being asked how much voluntary excess he was willing to pay towards a claim. As a claim had been logged, he would be liable to pay the excess regardless of fault, as that was what he had chosen and agreed when taking out the policy.

Mr A then complained to this Service, unhappy with Advantage's final response. He provided images of his recently plastered ceiling, saying the damp on the old plaster hadn't fully dried

out and would need attending to. He wanted his claims record to be amended to how it was at the point he took out his policy with Advantage in April 2023. He wanted compensation for the cost of the plumber fixing the leak (£100) and the plasterer renewing the ceiling (£250) as well as a refund from Advantage of his policy premium (£126.85) and increase in the premium of his new policy (£65.35). He also wanted compensation for the stress, worry and inconvenience of what happened and impact on his mental health (£500).

Our investigator didn't uphold the complaint, concluding Advantage didn't need to do anything further. He concluded Advantage had correctly recorded the claim on the Claims Underwriting Exchange (CUE) database. He thought Advantage were entitled to enter details of the claim on the CUE database, even if no claim was pursued, so other insurers had the information about the incident and claim to inform their decisions on whether (and on what terms) to offer cover. The claim had been correctly recorded as 'notification only' on the CUE database. On the costs Mr A said he'd incurred, the investigator thought he was entitled to re-open his claim with Advantage should he wish. If so, the £750 policy excess would apply to the cost of any claim.

Mr A disagreed with the investigator's conclusions and requested that an ombudsman review the complaint. He said the investigator hadn't considered the stress, anxiety and strain he'd suffered from what happened (for which he could provide medical evidence). He reiterated his request for his financial profile to be reset to how it was before he took out his policy with Advantage, given the impact recording of the claim had on his premiums when taking out a new policy.

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.

My role here is to decide whether Advantage have acted fairly towards Mr A.

There are two main issues in Mr A's complaint. The first is Advantage's recording of his claim on the CUE database, even though he didn't pursue a claim for the damage from the leak at his property. As he didn't pursue a claim, Mr A says it shouldn't be recorded, given the impact he says it had when he took out a new policy in 2024. He's also unhappy at the excess of £750 that would have been deducted from any claim, should he have decided to pursue a claim. Advantage say they acted fairly in recording details of the claim, as notification only, on the CUE database. And the policy excess was chosen by Mr A (the voluntary element) when he took out the policy.

On the first issue, the recording of the claim, Advantage's case notes record Mr A contacting them to tell them about the leak and the damage it caused. The notes also record Advantage telling Mr A of their appointment of MA to assist with the claim. Subsequently, there's reference to Mr A contacting Advantage after R's visit, requesting an update. R's report also includes a mention Mr A might withdraw the claim. The claim notes also record Advantage subsequently attempting to contact Mr A to see if he wants to pursue a claim. Mr A emails Advantage (October 2023). Having had no further contact, Advantage email Mr A giving 14 days' notice for him to respond, failing which they will close their file.

Advantage then email Mr A at the end of November, advising they have closed the claim, but he can restart the claim should he wish. I've seen no evidence to indicate Mr A responded or asked Advantage to reopen the claim.

Considering this sequence of events, I can't conclude Advantage did anything wrong after Mr A first contacted them. They appointed MA and R visited the property to inspect the

damage. It was then Mr A's choice whether to pursue a claim. In the absence of him telling Advantage he wished to do so, it was reasonable for them to close the claim.

Having closed the claim, Advantage recorded details on the CUE database. This is standard insurance industry practice, even in cases where a policyholder decides not to pursue a claim for loss or damage, having initially told an insurer of an incident causing loss or damage. The database enables insurers to consider the claims history of a consumer, which is important in an insurer's decision whether to offer cover to a prospective policyholder, and if so, under what terms (including the premium). So, I've concluded Advantage acted fairly and reasonably in recording the claim on the CUE database.

Advantage provided a copy of the entry for the claim they made on the CUE database. The entry records the leak ('cause of loss') and a description of the incident, a summary of the damage to the ceiling. The claim status is recorded as 'Notification'. This reflects the fact that Mr A didn't pursue a claim and consequently Advantage didn't incur any costs with the claim (such as repairing the damage or making a cash settlement for the damage). So, I've concluded Advantage correctly recorded details of the claim on the CUE database. Taking all these points together, I've concluded Advantage acted fairly and reasonably in recording the claim on the CUE database.

Mr A is unhappy that recording of the claim has led to an increase in the premium he paid for his new policy, compared to the premium he paid for his policy with Advantage. But the premium for his new policy would be a matter for his new insurer – not Advantage. It would be for the new insurer to assess the risk presented by Mr A when he took out his new policy, including his claims history. The claims history would be one factor I'd expect any new insurer to consider when deciding to offer a policy, alongside other factors they would assess as a commercial decision. And as I've concluded Advantage acted fairly in recording the claim from Mr A, then I can't hold them responsible for any increase in premium from his new insurer, compared to his premium under his Advantage policy, including the impact the recording of the claim may have had.

Turning to the issue of the policy excess, the welcome pack sent to Mr A by Advantage when he took out his policy includes a cover summary document setting out the key details of the policy. Under a section headed *Excesses* there's a table listing the excess figures for each type of excess. Under a row headed *Escape of water and trace and access (buildings)* it records a compulsory excess of £500 and a voluntary excess of £250, making a total of £750. The £250 voluntary excess would have been based on a figure provided by Mr A when he took out the policy.

Had this been incorrect, then the welcome pack asks Mr A to check the policy details – including the cover summary – and to contact them if anything was wrong. I think the cover summary is clear about the level of excess, so if Mr A thought it was wrong, he would have had the opportunity to contact Advantage.

An excess is also a standard feature of most home insurance policies, so its inclusion in Mr A's policy wouldn't be unusual. In any event, as he didn't pursue his claim, the £750 excess wouldn't have been payable, so he hasn't suffered any financial loss.

While I've reached these conclusions, I've considered the other points made by Mr A. Specifically on the stress, worry and anxiety he says he's suffered (and impact on his health) I appreciate what he's said and that the nature of an escape of water and the damage it caused (as recorded in R's report) will inherently be stressful. But as I've concluded Advantage acted fairly and reasonably in their recording of the claim and the policy excess, then I can't hold them responsible for the stress, worry and anxiety Mr A says he's suffered.

Taking all these points together, I can't conclude Advantage acted unfairly or unreasonably towards Mr A. So, I won't be asking them to take any action.

My final decision

For the reasons set out above, it's my final decision not to uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 6 January 2025.

Paul King
Ombudsman