

## **The complaint**

Miss S complains about Advantage Insurance Company Limited's (Advantage) poor handling of a claim following damage caused to her car by a third-party, under her motor insurance policy.

Miss S is represented by her father Mr S.

## **What happened**

A third-party drove into Miss S's car in January 2022 whilst it was parked and she was at work. She contacted Advantage to make a claim, which it accepted. She says Advantage agreed to deal with the claim on a non-fault basis. Her car was damaged beyond repair, which meant that she received a settlement payment. Miss S made a complaint about the valuation of her car and the service she received. She referred the matter to our service and this was dealt with under a separate reference.

Miss S says witness statements, a police report and CCTV footage were supplied to Advantage to show she wasn't at fault. She says she understood the matter had been resolved. This was until she received a letter in December 2022 telling her she would need to attend a court hearing. Miss S says she had to re-provide information to Advantage which it had lost. But the CCTV footage wasn't available. Eventually, the third party's insurer (TPI) agreed to settle the claim with its policyholder being the at-fault party. But Miss S says this should've been resolved sooner. She says she was very worried at the prospect of going to court.

In its final complaint response dated 27 December 2023 Advantage apologised that the CCTV request wasn't actioned in time. This meant the footage was lost. It says the TPI is disputing liability and that Miss S has been asked to attend a court hearing. Advantage says it waived the policy excess charge and is allowing her no-claims discount (NCD). It says when the claim can be closed it will be recorded as non-fault. It will then be able to recalculate the premiums and refund any difference. Advantage paid Miss S £200 compensation for the stress and inconvenience it caused her.

Our investigator says the records show the claim was settled by the TPI in January 2022. But Advantage failed to acknowledge this and update the claim records. He says it should amend the records to show the claim as non-fault. It should also refund any overpayment in premium due to incorrect records. Our investigator says Advantage should also pay Miss S £150 on top of the £200 it already paid.

An agreement wasn't reached. So, the matter has been passed to me to decide.

I issued a provisional decision in October 2024 explaining that I was intending to uphold Miss S's complaint. Here's what I said:

*provisional findings*

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*My decision will consider up to the date of Advantage's final complaint response on 27 December 2022. The Financial Conduct Authority (FCA) dispute resolution or DISP rules say the business must first have the chance to respond to a complaint before our service can become involved. So, if Miss S wants to complain about issues after this date she'll need to raise this separately.*

*We expect Advantage to handle claims effectively avoiding unnecessary delays and disruption for its customers. I've focused on whether it did that here.*

*When Miss S registered her claim with Advantage in January 2022 she provided witness statements and a police report. She also told the business that CCTV footage of the incident had been recorded and where to get it from.*

*The records show that Advantage was to proceed on the basis that Miss S wasn't at fault for the incident. Given that her car was parked at the time of the loss, this seems reasonable. Advantage wrote to her in March 2022 to say it was putting together its request for the TPI to cover the cost of the damage.*

*I've seen the email Advantage sent to the CCTV owner on 18 January 2022. The owner responded on 24 January to say she was unable to attach the digital file as it was too large. She asked if a USB stick or a disc could be sent to her with a pre-paid envelope. She says she would then be able to provide this information.*

*Advantage acknowledges that it didn't follow up with the CCTV owner. When it later came to light that it didn't have this information the footage was no longer available.*

*There has been confusion around this point. Advantage refers to not being sent the CCTV. In its submissions to our service, it says Miss S was aware she couldn't send the footage and could've made a copy of the file. But this isn't accurate. The CCTV footage was held by a business owner whose premises were close to the scene of the incident. The reason the footage wasn't obtained and was later unavailable, is because Advantage failed to follow up with the CCTV owner.*

*I've thought carefully about the impact this had on Miss S's claim. Advantage says the TPI disputed liability and that it isn't responsible for the court date being arranged or for the time this took. But I don't think this is correct. From what I've read the CCTV footage clearly showed the third-party driving into Miss S's parked car and then driving away. Had this evidence been submitted to the TPI, along with the witness statements and police report, I think it's likely it would have conceded liability at a much earlier stage. I don't think the TPI would've pursued the matter as far as a court hearing if there was CCTV footage of its insured driving into a stationary vehicle. So, I think Advantage is responsible for the delay in the claim being settled, and for a court date being arranged.*

*Advantage's solicitor emailed Miss S in January 2024 to confirm the TPI had now conceded liability and agreed to settle the claim in full. Our investigator incorrectly thought this email was dated in January 2022. This would've meant that the TPI agreed to settle near the time of the incident. This wasn't the case. The solicitor's email confirms the TPI agreed to settle the claim around two years after the incident occurred. So, I don't agree with the outcome our investigator proposed in relation to this point.*

*That said Miss S understood that the matter was being dealt with by Advantage and the third-party was being held responsible for the claim. Because it failed to obtain the CCTV*

*footage this meant Miss S was told she would need to attend court. I can understand why she was distressed by this prospect. After she was told about the court date it took over a year before she was told the TPI was settling the claim in full. Miss S was left to believe she would need to attend a court hearing for this period. When the claim should reasonably have been settled in 2022.*

*Miss S was caused a great deal of stress and frustration due to Advantage's poor handling of her claim. Numerous unnecessary contacts had to be made with the business over a period of 12 months. Had Advantage handled the claim effectively it's probable a non-fault outcome could've been finalised in 2022. Because of the stress, frustration, and inconvenience this caused I think it's fair that it pays Miss S a further £250 on top of the £200 it initially paid her.*

*I asked Advantage to show what was recorded on the Claims and Underwriting Exchange (CUE) database. This information is available to insurers and is used when calculating the risk a policyholder presents, and therefore the premium charged. It responded to show the claim recorded on 18 January 2022 was closed on 18 June 2024. Miss S's no-claims discount is showing as allowed which means she wasn't considered at fault.*

*However, Miss S has shown details of insurance she had in place in December 2023 that refers to a vandalism/malicious damage claim from January 2021. She believes this is a mistake on Advantage's part. I asked it to comment on this point. It responded to say it isn't aware of a malicious damage claim from 2021. It provided screen shots from the searches it performed for Miss S, as well as her father (in case this related to a named driver). There are no claims from 2021 showing.*

*Based on this information the claim from 2021 that Miss S highlighted isn't something Advantage recorded on its internal or any external databases. Clearly this is something her alternative insurer considered when offering cover. But I can't see that this is something Advantage is responsible for.*

*In summary I don't think Advantage treated Miss S fairly when it failed to obtain CCTV footage. It should pay her an additional £250 compensation to acknowledge the impact this had on her. But I don't think it's responsible for the claim her new insurer referred to from 2021.*

*I said I was intending to uphold this complaint and Advantage should pay Miss S a further £250 in compensation.*

*I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.*

*Advantage didn't respond with any further comments or information for me to consider.*

*Miss S responded to say that she'd only ever been insured with Advantage with no prior claims. She queries how the CUE record from January 2021 for malicious damage was recorded, if not by Advantage. Miss S believes this was recorded in error by the business and it mistakenly recorded 2021 instead of 2022 as well as putting down the wrong description for the claim.*

### **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 thought carefully about the CUE entry Miss S has referred to. I can certainly understand her frustration and lack of trust in Advantage's involvement. That said, I must base my findings on the available evidence. The CUE information I've seen doesn't show a claim for malicious damage in January 2021. I understand Miss S's view that a record was made, and this was Advantage's mistake. But other insurers have access to the CUE database. It's possible that a mistake was made by another party or by Miss S's insurer in 2023. She can contact her insurer if she thinks she's owed a refund due to an inaccurate CUE record. Her insurer can then review the CUE records to establish if its premium was set at the correct level. But I'm not persuaded by what I've read to hold Advantage responsible for this.

Having considered Miss S's further comments, I'm not persuaded that a change to my provisional findings is warranted. So, my provisional decision will now become my final decision.

### **My final decision**

For the reasons I've explained above and in my provisional decision, I uphold Miss S's complaint. Advantage Insurance Company Limited should:

- pay Miss S a further £250 compensation for the distress, frustration and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 4 December 2024.

Mike Waldron  
**Ombudsman**