

The complaint

Mr H complains about the way Advantage Insurance Company Limited quoted and handled a change on his motor insurance policy.

This complaint involves the actions of agents for whom Advantage is responsible. Any reference to Advantage includes its agents.

What happened

Mr H held a motor insurance policy underwritten by Advantage.

Mr H was around halfway through his policy year and was looking to buy a new car. He says he got an online quote from Advantage for around £37 extra per month.

Mr H bought the car two days later, but when he went to update his policy, he was quoted around £589, which worked out closer to £100 extra per month. He says he had no choice but to accept this as he was collecting the car at the time. He complained to Advantage using an online form.

Mr H cancelled the policy a few days later and had to pay a cancellation fee. When he was talking to Advantage about this, he says he asked whether his complaint had been logged and the agent was able to locate it. But, when Mr H spoke to Advantage a few days later, he was told the complaint had been closed as a query. Mr H was unhappy about this, along with the price increase and the cancellation fee.

Advantage didn't uphold the complaint. It said quotes expire at 11:59pm, so the first quote wasn't valid two days later. It said it uses the most up-to-date market information to decide how much to charge and this changes all the time. It also said Mr H had used a query form to log his complaint. And, when he called, the complaint was re-opened.

Mr H didn't think this was fair so he referred his complaint to the Financial Ombudsman. Our investigator looked into the complaint and thought it should be upheld in part. He said Advantage had not been able to show how it had calculated the price increase for the change in vehicle, so he couldn't be sure that it had been calculated fairly. He thought Advantage should compensate Mr H £100 for this.

Advantage said there was nothing further it could provide, so it accepted the outcome. Mr H didn't agree – so the complaint was passed to me.

I reviewed the complaint and issued a provisional decision. In it I said:

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

Having done so, I'm intending to uphold the complaint. I've focused my comments on what I think is relevant. If I haven't commented on a specific point, it's because I don't believe it affects what I consider to be the right outcome."

Mr H says his main concern is that Advantage logged and closed his complaint as a query. Advantage says this was how Mr H logged his issue. Mr H doesn't agree. He's provided screenshots of the webpages he used. They show the webpage was entitled "Customer complaints form" and that this is one of the places customers are directed to if they have a complaint. Mr H has also said he called Advantage a couple of days later and the agent he spoke to was able to locate the complaint.

As Mr H has shown that his concerns were logged on a customer complaints form, and as he specifically asked about the complaint a few days later, I think Advantage ought to have dealt with the matter as a complaint – and not closed it down as a query. I haven't seen what Mr H wrote in the form. But given the nature of his concerns, I think it's likely that he expressed dissatisfaction – and therefore Advantage ought to have dealt with it correctly.

Mr H has said it was confusing and frustrating to learn that the matter had been closed down and dismissed. He'd had to chase Advantage for his concerns about his policy to be looked at properly. And then, in Advantage's final response, it suggested that he'd raised the matter as a query when he's shown that he raised it on a customer complaints form. I think this would have added further frustration and made the underlying issue worse for him. I think it's fair to award Mr H £50 compensation for this. I should explain that while complaints handling isn't a regulated activity, I'm intending to award this compensation because of the communication issues Mr H experienced.

Mr H is concerned that Advantage may be trying to reduce the number of complaints it's receiving and logging. I haven't seen evidence of a wider issue, and it isn't for me to investigate that. We consider individual complaints and provide appropriate redress. We're not the regulator, so we don't have the power to make rules for financial firms. I'm satisfied that what I'm intending to award Mr H is fair and reasonable.

Mr H also feels the mid-term adjustment was too expensive, especially compared to the quote he obtained a couple of days before. Advantage doesn't have a record of the price of the interim quote. But it has shown that the two quotes were not like-for-like. The class of use of the vehicle and the vehicle's registered owner/keeper were different.

But what I think is the crux of the matter is that Advantage hasn't been able to provide satisfactory evidence to show how it calculated the mid-term adjustment that it applied to Mr H's policy. So, I haven't been able to review this to ensure it's been calculated fairly. I've taken everything into account, including the Consumer Duty principle, and I intend to find that Advantage hasn't demonstrated that it treated Mr H fairly.

I do wish to make it clear that I'm not saying there has been an error in the pricing calculation. But the reason I'm intending to uphold Mr H's complaint is, given the large increase in price relevant to Mr H's original premium, I would need to see evidence and a clear explanation showing why and how the price increased as it did, and in this case, this information hasn't been provided in a way which would allow me to reassure Mr H that there hasn't been an error here.

I appreciate Mr H would like Advantage to refund some of the fees he's incurred. These were mostly made up of an amendment fee for the mid-term adjustment and a cancellation fee after Mr H found cover elsewhere. I've checked Mr H's policy documentation, and I can see the fees were made clear. I don't have enough evidence to say that Advantage did something wrong in terms of the first quote Mr H obtained. The quotes were obtained on different days and were not like-for-like. So, I don't think it would be fair for Advantage to refund the cancellation fee, keeping in mind Mr H chose to go ahead with the higher quote.

And Mr H would have had to incur the amendment fee for making the changes that he did. So, I don't intend to tell Advantage to refund any fees.

But I do think Mr H's decision to look for an alternative policy was driven by the price of the mid-term adjustment, and Advantage hasn't provided a sufficient explanation for its increase. So, I believe there has been an impact on Mr H – particularly as our service isn't able to provide Mr H with any reassurance about the adjustment being priced fairly. Taking this into account, I understand why Mr H was left frustrated and confused about the increase – and I think compensation of £100 is fair and reasonable in the circumstances. So, that is what I intend to award Mr H for this issue – bringing my total intended award to £150.”

Responses

Mr H said he accepted my provisional decision. Advantage didn't respond. As the deadline I set for responses has passed, I now consider it appropriate to issue my final decision.

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.

As Mr H has accepted my provisional findings and Advantage hasn't provided further comment, I see no reason to change my outcome or the redress I intended to award.

I've reviewed the matter again and my opinion hasn't changed. So, my provisional decision and my comments here are now the findings of this, my final decision.

Putting things right

To resolve this complaint, Advantage must pay Mr H a total of £150 for distress and inconvenience.

My final decision

For the reasons I've given, I uphold Mr H's complaint about Advantage Insurance Company Limited and direct it to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 December 2024.

Chris Woolaway
Ombudsman