

The complaint

Mr C complains about the service he received from Advantage Insurance Company Limited (Advantage) after he made a claim on his car insurance policy.

What happened

On 2 November 2023 Mr C was involved in a car accident with a third-party driver, so he made a claim to Advantage under his car insurance policy online. An agent acting on behalf of Advantage, who I'll refer to as "E", then contacted Mr C to discuss the repairs and the use of a hire car.

Mr C complained to Advantage. He said E was pressuring him to have a hire car under a credit agreement. Mr C says he didn't want to use this option as he was concerned he could be liable for the hire charges if liability wasn't resolved in his favour. Instead, Mr C wanted a courtesy car he was entitled to under the terms of his insurance policy.

Mr C was able to use a courtesy car as per the terms of his policy - but he says he had to contact Advantage numerous times and wasn't given adequate information about the options available to him, which he says caused undue trouble and upset.

As part of Advantage's submissions to this Service, it acknowledged Mr C wasn't given adequate information on Advantage's relationship with E and the options available to him. And it offered to pay Mr C £100 in compensation for the trouble and upset it had caused.

Our Investigator considered the complaint and said the service Advantage provided was poor. But she felt the £100 compensation was fair in the circumstances of the complaint.

Mr C disagreed. He said the compensation offered didn't fairly reflect the impact Advantage's actions had on him or the trouble and upset it had caused. He also said he wanted Advantage to change its process on the way it deals with 'non-fault' claims to ensure customers aren't unfairly treated. He asked for an Ombudsman to consider the complaint.

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 want to explain I won't be repeating the entirety of the complaint history here or commenting on every point raised, as the same is already well known to both sides. Instead, I've focussed on what I consider to be the key points I need to think about in order to reach a fair and reasonable conclusion.

I don't mean any discourtesy by this; it simply reflects the informal nature of this Service and our key function – which is to resolve disputes quickly, and with minimum formality, on the basis of what I believe is fair and reasonable in the overall circumstances of the complaint. However, I assure both parties I've read and considered everything provided as part of this complaint.

As Mr C's insurer, Advantage was obliged to give Mr C information that was clear, fair and not misleading, in line with its regulatory requirements when dealing with his claim. But here, Advantage delegated its claims handling to E. So, when Mr C submitted his claim to Advantage he was directed to E to arrange the repairs and to discuss the hire car options available to him. As E was acting as an agent of Advantage, Advantage is responsible for E's actions and the level of service it provided. So, in this case, if I find E failed to meet the regulatory requirements I've set out above, I can hold Advantage responsible for this.

Mr C has said he'd like Advantage to change the way it deals with non-fault claims and improve its business practice. But I need to explain that this Service isn't the regulator. So, it's not our role to direct Advantage generally about how it conducts its business or the third-party agents it contracts with. That's the role of the industry regulator, the Financial Conduct Authority. But what I can look at is whether Advantage has treated Mr C fairly in the circumstances of this particular complaint.

I've listened to the initial call Mr C had with E. I won't detail everything here, but E explained it would be providing Mr C with a hire car on a credit hire basis. Mr C had concerns he could be liable for the hire charges if liability wasn't resolved in his favour.

What's more, under his insurance policy with Advantage, Mr C was entitled to the use of a courtesy car, but this option wasn't made available to him, and I think it should have been. I understand Mr C eventually received use of a courtesy car, but he had to call Advantage numerous times to arrange this. Instead, I think this option should have been made clear to him around the time he first submitted the claim.

Taking everything into consideration, I'm not persuaded Advantage presented information about the options available to Mr C in a clear, fair and not misleading way. And Advantage acknowledges it didn't manage Mr C's expectations or clearly outline the options available to him. And it offered £100 in compensation for the trouble and upset caused.

I have sympathy for Mr C's complaint about the poor communication from Advantage. He was clearly concerned about the implications of entering a credit agreement. And I'm aware he had to call Advantage to arrange a courtesy car more times than I think he needed to. I haven't detailed everything here – but I've considered everything Mr C has said about the impact on him. Our Investigator previously said Advantage's offer of £100 was fair. But overall, I'm satisfied £200 is a more suitable sum to recognise the impact that Advantage's handling of things caused.

My final decision

My final decision is I uphold this complaint. I direct Advantage Insurance Company Limited to pay Mr C £200 for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 February 2025.

Adam Travers
Ombudsman