

## **The complaint**

Mr O complains about Advantage Insurance Company Limited's decision to decline his claim and cancel his car insurance policy.

## **What happened**

Mr O had a car insurance policy with Advantage. In December 2023, he was involved in an accident with a third-party and he made a claim. The third-party was also insured with Advantage and the claim was initially dealt with under their policy. Advantage then dealt with the claim under Mr O's policy in March 2024.

In April 2024, after reviewing the third-party dashcam footage, the witness statements and speaking to Mr O, Advantage declined the claim and cancelled Mr O's policy from the date of the accident. It said he'd acted fraudulently and induced the accident.

Mr O complained about Advantage's decision, delays on the claim and his suspicion that Advantage's claim handler knew the third-party and was therefore biased.

Advantage issued a complaint response in April 2024. It didn't accept it caused delay and said it was entitled to settle a claim how it saw fit under the terms. It didn't agree there was bias in its decision making and said the third-party was not known to its handler.

Mr O referred his complaint to the Financial Ombudsman Service. He remained unhappy with Advantage's decision to decline the claim and cancel his policy. He denied acting intentionally and causing the accident. He maintained Advantage was biased. He wanted compensation for the impact this had on him, for damage to his car, being without a car and not receiving a fair refund on cancellation.

The Investigator didn't uphold the complaint. They said Advantage's decision to decline the claim and cancel the policy was fair in the circumstances. They said there was insufficient evidence of bias.

Mr O didn't agree. He denied intentionally causing the accident and he said he didn't suddenly stop. He said he provided information truthfully and the conditions for fraud were not met. He was unhappy Advantage didn't obtain other camera footage of the incident.

## **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.

Mr O has provided a lot of information in support of his complaint. I assure Mr O that I've taken everything he's provided into account. But in this decision I've focused 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 that the Financial Ombudsman Service reviews complaints.

*Third-party insurer*

After Mr O made the claim, and based on the information he provided, the claim was first dealt with under the third-party's insurance policy. The third-party was also insured with Advantage.

The rules which say what cases our service can consider are set by the Financial Conduct Authority (FCA). They're known as the DISP rules. The relevant rule in Mr O's case is DISP 2.7 which provides a definition of who is an eligible complainant.

An eligible complainant must have one or more of a number of specified relationships with the respondent. The relevant relationship in Mr O's case is set out in DISP 2.7.6 (6). This says:

*"The complainant is a person on whom the legal right to benefit from a claim against the respondent under a contract of insurance has been devolved by contract, assignment, subrogation or legislation."*

Mr O has a contractual relationship with Advantage under his own insurance policy. But in this case, both drivers involved in the accident were insured with Advantage. And Mr O didn't have a contractual relationship with Advantage in relation to the third-party's insurance policy. So he isn't eligible to complain about Advantage's actions while it dealt with the claim under the third-party's insurance policy. And I've not considered those actions under this decision.

Given that Advantage dealt with Mr O's claim under his own policy from March 2024, and provided its claim and policy decision by April 2024, I'm not satisfied that it is responsible for delays in the handling of the claim.

#### *Claim decision*

I should first explain that this service isn't able to say who's at fault for causing an accident, as that is the responsibility of the courts. So this means I can't say whether Advantage has correctly assessed the footage the third-party provided or that it was right to say he was at fault for the accident or not. My role in this decision is to look at whether Advantage has carried out a fair investigation, reviewed all the evidence it has and come to a reasonable decision.

Mr O's policy, like most other insurance policies, allows Advantage full discretion in the settlement of any claim. So Advantage was entitled to settle the claim on the best terms it thought fit. And it had the ultimate and final say on how to settle a claim. But it needed to exercise this right fairly and reasonably.

I've taken all of Mr O's comments into account, but I can't say that Advantage has acted unreasonably in this instance. I can see it has reviewed the footage it received, along with the witness statement, in concluding Mr O stopped abruptly and unnecessarily, and deliberately caused the accident. I've reviewed the footage and statement, and I don't consider Advantage's decision to be unreasonable in the circumstances.

Mr O feels Advantage ought to have obtained other CCTV footage, but I don't consider Advantage was required to do this, and I think it acted reasonably in relying on the footage it was provided. Mr O also said the witness was drunk, but I've not seen evidence to support this, so I can't say Advantage was wrong to also rely on the witness statement in reaching its conclusions. Mr O also raised concerns about bias, but I've not seen sufficient evidence to persuade me this was likely the case.

Because Mr O's policy doesn't cover damage or loss arising from a deliberate act by Mr O, I

don't think Advantage acted unreasonably in declining his claim, and settling any third-party costs.

### *Fraud*

The terms of Mr O's policy say if he acts in a fraudulent manner, Advantage will be entitled to cancel or void the policy without refunding his premium. Examples of fraudulent behaviour include making a claim:

- *"for any loss or damage caused by your wilful act or with your knowledge"*

To be clear, it isn't for me to decide whether Mr O's claim was fraudulent or not. Instead, it is for me to decide whether Advantage acted fairly and reasonably when relying on the policy's fraud condition, based on the information it has.

I've reviewed the footage and the witness statement. It seems the witness provided a clear testimony that Mr O braked on purpose without any valid reason for doing so. And having reviewed the footage, I think this supports the conclusion that Mr O stopped suddenly and unnecessarily, and I think it also supports the conclusion that at the least, Mr O acted recklessly, knowing his actions could cause an accident. During his call with Advantage in March 2024, I can see Mr O also understood that in stopping in the middle of the road, he caused a higher chance or possibility for an accident to occur.

Ultimately, given the above, I think it was fair for Advantage to say Mr O had wilfully caused the accident. So I consider it acted fairly in relying on the policy's fraud condition to cancel his policy. And because the terms allow Advantage to cancel the policy without refunding any of his premium, I don't think Advantage acted unfairly in refunding part of his premium, without charging a cancellation fee.

For the reasons outlined above, I won't direct Advantage to do anything else.

### **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 Mr O to accept or reject my decision before 5 March 2025.

Monjur Alam  
**Ombudsman**