

## The complaint

Mr S complains he was treated unfairly by Advantage Insurance Company Limited ('Advantage') and threatened with the cancellation of his car insurance policy after a third party made a claim which he denied involvement in.

## What happened

In June 2024 Advantage were contacted by the insurer of a third party who was holding Mr S liable for a motor accident. Advantage wrote to Mr S and asked him to complete an accident report form. Mr S didn't complete and return the form and instead called Advantage on 14 June 2024 to say he hadn't been involved in a collision. Afterwards Mr S provided some photos to show there was no damage to his car.

Advantage subsequently contacted the third party's insurer to dispute liability. And it contacted Mr S to ask if he'd agree to an independent engineer's inspection of his car, which he agreed to.

In July 2024 Mr S made a complaint to Advantage saying it kept asking him to provide information he'd already given and had threatened by email and text message to cancel his policy if he refused to complete the accident report form he'd been sent by email.

Advantage provided a final response in which it gave Mr S an update on the claim and said it didn't think there had been any error in how it had dealt with the claim.

After Mr S brought his complaint to us, Advantage wrote to him in August 2024 saying the third party had now confirmed his vehicle wasn't involved so the claim had now been deleted from his policy and the details would be removed from the Claims & Underwriting Exchange (CUE). Consequently, the independent engineer inspection never went ahead since it was no longer required.

Our investigator didn't think Advantage had acted fairly. He said it was unreasonable for Advantage to expect Mr S to complete an accident report form when he denied involvement and he thought Mr S had been cooperative since he had provided photos and had agreed to the independent engineer inspection. And he thought Advantage should have arranged the independent engineer inspection at the start of the claim, or at least told Mr S when it would carry it out. So, he said Advantage should pay Mr S £250 for the distress and inconvenience it had caused.

Because Advantage didn't agree, the complaint was referred to me to decide. I issued a provisional decision not upholding the complaint, and I said:

*"I should start by saying I'll only be considering the events up to when Advantage provided its final response on 31 July 2024. This is because under our rules I can't consider a complaint until it has first been made to the business it is about and either a final response has been provided, or more than eight weeks have passed since the date the complaint was first made."*

*Mr S says that his policy was later cancelled by Advantage, and he's provided us a copy of a cancellation notice dated 2 September 2024. But, if Mr S is dissatisfied with this, since it was a new event which happened after he brought his original complaint to us, he'll first need to complain directly to Advantage.*

*I've begun by looking at the policy terms. These say that Advantage can take over and conduct the defence or settlement of any claim under the policy for its own benefit. Car insurance policies typically contain terms like this, which allow insurers to decide whether to accept or dispute liability when a claim is brought by a third party.*

*When the third party's insurer alleged Mr S was liable for the accident, Advantage were obligated to investigate that claim, and ultimately would have needed to decide whether to accept liability on Mr S's behalf, or dispute it. Advantage would have needed to gather what evidence it could about the alleged incident from both Mr S and the third party's insurer, to ensure the decision it ultimately reached was fair and reasonable.*

*So, I don't think there was anything unusual or unreasonable about the initial request it sent to Mr S to complete an accident report form on 11 June 2024. Advantage didn't know Mr S's versions of events at that time. The purpose of this form was to find that out.*

*According to Advantage's notes, Mr S called on 14 June 2024 and denied making contact with the third party car, but Mr S and the third party spoke and said they were close. Mr S also agreed to send photos of his car to Advantage at this time.*

*This note suggests there was a near impact between Mr S and a third party. In which case, although Mr S may have said there was no collision, an accident report form may still have been useful to Advantage to help it understand what led up the near impact and to defend its position on liability.*

*So, I don't think it was unreasonable for Advantage to have asked Mr S again to complete the accident report form.*

*After Mr S sent the photos Advantage contacted the third party's insurer to dispute liability, and to ask it to provide any evidence to show Mr S was liable. It spoke to Mr S shortly after this to him if he'd be willing to agree to an independent engineer inspection.*

*I don't think it was unfair Advantage didn't carry the inspection after this call. At the time, Advantage were waiting for evidence from the third party insurer. So, an inspection may not have been needed, dependent upon what the third party insurer's response was. I think Advantage were just seeing if Mr S would agree to an inspection if it was necessary. And I don't think that was unreasonable.*

*The terms say Advantage can cancel the policy by giving seven days written notice and include several reasons when Advantage can do this, including where the insured doesn't provide 'reasonable cooperation' to Advantage to allow it to process a claim or to defend its interests.*

*I don't dispute there were ways in which Mr S cooperated with Advantage. He provided photos of his car, and said he was willing to allow an inspection. But Advantage asked Mr S to complete an accident report form, which he didn't do.*

*I don't think it was unreasonable for Advantage to ask Mr S to complete this form, or to consider there to be a lack of reasonable cooperation if Mr S wouldn't complete it - without a good reason for him not to. And while I acknowledge Mr S's comments there wasn't any*

*collision, I'm not persuaded that means there was no good reason for Mr S to complete the accident report form in the event of a near miss.*

*So, I don't think it was unfair for Advantage to remind Mr S there was a risk of his policy being cancelled if he didn't cooperate with Advantage's enquiries."*

Advantage didn't provide any response, but Mr S disagreed with the provisional decision. In summary, he said:

- It had been confirmed by Advantage there was no collision between him and the third party, and that the third party had made a fraudulent claim against him.
- At the nearest point, his vehicle was one meter away from the third party. They did not stop to communicate and exchange details. As such, there was no incident for him to report.
- The terms and conditions didn't require him to report anything.
- The accident report form required Mr S to share personal details Advantage already held.

### **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 considered Mr S's response, but I've reached the same overall conclusion as I did in my provisional decision and for the same reasons.

It's not in dispute that the third party's allegations against Mr S were ultimately withdrawn. But Advantage could only act on the information which it had at the time. And when it asked Mr S to complete an accident report form, he was still being held liable.

It isn't unusual for a car insurer to send an accident report form when their insured has been involved or is alleged to have been involved in an accident. Car insurers use forms such as these to get a clear understanding of their insured's version of events, and to convey that information accurately to a third party insurer.

I acknowledge Mr S's comments that there was no impact between him and the third party. But this reconfirms my earlier understanding that this wasn't a situation where Mr S's car wasn't even present at the scene where collision was alleged to have occurred. Mr S was present at the scene but denied colliding with the third party's vehicle. So, I think there was still information on the form Mr S could have provided which may have helped Advantage to defend the claim while Mr S was being held liable.

I've considered Mr S's comments about the policy terms. But the terms did allow Advantage to settle or defend a claim. And had the third party not withdrew their claim, Advantage would at some point have needed to decide if it would accept or dispute liability. Having a completed accident report form would have helped Advantage to make that decision.

The terms allowed Advantage to cancel the policy if the insured didn't cooperate to allow it to defend its interests. Mr S didn't complete the accident report form, even though it may have helped Advantage to defend the claim. So, I don't think it was unreasonable for Advantage to

warn Mr S there was a risk it might cancel his policy if he didn't complete the accident report form.

### **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 S to accept or reject my decision before 28 March 2025.

Daniel Tinkler  
**Ombudsman**