

## **The complaint**

Mr J complains that Advantage Insurance Company Limited ('Advantage') ended his motor insurance policy with them which meant he didn't earn a no claims discount.

## **What happened**

Mr J took out a motor insurance policy with Advantage in October 2023. When the policy was due to expire, he told them he didn't want to renew the policy as he was going to use another insurance provider. Mr J said he told them at this time the vehicle was also insured by his spouse. Advantage said they wouldn't provide cover where a vehicle was already insured by another provider, so they cancelled the policy and refunded Mr J his premiums.

Mr J thought this was unfair. He said Advantage hadn't told him they wouldn't dual-insure the vehicle when he took out the policy and if they had; he would have gone to another insurance company. Mr J was also unhappy that he hadn't gained a year's no claim discount ('NCD') due to the policy being cancelled and this meant when he insured the vehicle with a new provider, it was more expensive. He raised a complaint to Advantage.

Advantage considered the complaint but didn't think they'd done anything wrong. They said the policy was cancelled to the start date and a full refund was given in line with their processes. And they said as a result, this meant they couldn't award any NCD for that policy year. Mr J remained unhappy with Advantage's response – so he brought the complaint to this Service.

While the complaint was being considered, Advantage put forward a settlement offer. They said they had reconsidered the complaint and decided that, given the policy was due to expire in around a month, it would have been more appropriate for them to have allowed the policy to expire and then not offer a renewal. They said because Mr J hadn't been awarded one year's NCD, they'd pay £200 compensation to reflect this inconvenience to Mr J.

An Investigator considered Advantage's offer and issued a recommendation to resolve the complaint. They said it was common industry practice for an insurer to choose not to insure a vehicle which was also covered elsewhere, as complications can arise with claims. But the Investigator said they recognised Mr J would have been caused inconvenience due to the policy being cancelled – and felt Advantage's offer of £200 was fair in the circumstances.

As Mr J didn't agree with the Investigator's outcome, or Advantage's offer, and asked for an Ombudsman to consider the complaint, it's been passed to me to decide.

## **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.

Having done so, I've reached the same overall conclusion as the Investigator. I appreciate this will be disappointing to Mr J – so I'll explain why.

Advantage have said that they were entitled to cancel the policy in line with their internal policies. In general, I agree with this approach, because I think Advantage have acted fairly by outlining that they don't like to allow a vehicle to be dual-insured due to problems that can arise if a claim were to be made. I think this is a reasonable approach and one that is generally supported by the wider insurance market.

However, I do agree that in the specific circumstances of Mr J's complaint, a more beneficial outcome may have been to allow the policy to come to an end instead of cancelling. And as Advantage have now acknowledged this and made an offer of £200 compensation, this means I need to think about what the impact was to Mr J and whether Advantage did enough to put things right.

I appreciate not earning an additional year's NCD would have been disappointing for Mr J – but from considering his testimony; it appears this is largely focused on the financial impact caused by insuring with another provider at an additional cost. And while I note Mr J's submissions around losing credibility – I don't consider this to be a loss I can make an award for. Mr J has not had a policy voided or been precluded from obtaining insurance from another provider due to Advantage's actions.

I agree Mr J has been caused some distress and inconvenience as well as a loss of expectation. And I can see Advantage have made a compensation offer of £200 in addition to refunding Mr J's premiums he paid. So, I need to think about whether that's enough compensation to reflect the impact on Mr J of Advantage's actions. I've weighed up Mr J's testimony and the available evidence, and having thought about this situation very carefully, I find that Advantage's proposal to put things right produces a fair and reasonable outcome to this complaint and reflects the impact their actions had on Mr J. I'm also satisfied this level of compensation produces a fair conclusion in this particular case.

### **My final decision**

For the reasons I've outlined, my final decision is that I uphold this complaint. I direct Advantage Insurance Company Limited to:

- Pay £200 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 26 June 2025.

Stephen Howard  
**Ombudsman**