

## **The complaint**

Mr A1 and Mr A2 complain about Advantage Insurance Company Limited's ('Advantage') handling of a claim on their car insurance policy, including its decision to decline the claim.

## **What happened**

Mr A1 and Mr A2 held car insurance provided by Advantage. Mr A1 was the policy holder and Mr A2 was a named driver and the owner of the vehicle. In April 2023 the car was damaged in an accident while being driven by Mr A2, and a claim was made to Advantage.

The car was inspected and found to be a total loss. In June 2023 Mr A1 brought a complaint to our Service about several issues he'd reported had happened up to that point. That complaint was looked at by this Service as a separate case, and one of my ombudsman colleagues issued a final decision which dealt with the matters Mr A1 had complained about up to when Advantage had provided a final response on 5 July 2023.

In September 2023, Mr A1 made a new complaint to Advantage that the car still hadn't been repaired, even though he'd been told in a letter dated 18 September 2023 the car was repairable.

Mr A1 brought a new complaint to us in May 2024 saying he'd discovered from a HPI check the car had been recorded as a Category S total loss without his consent, and without any total loss settlement having been paid to him.

Advantage said Mr A1's claim was still being investigated after 5 July 2023 and was being examined by its fraud department. However, it ultimately decided to decline the claim as it believed it was fraudulent, and it communicated this decision by email to Mr A1 in October 2023.

Our investigator didn't think Advantage had acted unfairly. In summary, she said:

- There wasn't evidence to show Mr A1 had already complained to Advantage about the salvage category recording for the car. So, Mr A1 would first need to make a new complaint directly to Advantage on this point.
- The crux of the complaint was that Mr A1's claim was declined, and although Mr A1 said he hadn't received it, she was satisfied Advantage had communicated its decision to decline the claim by email in October 2023 to the correct email address for Mr A1.
- She didn't think Advantage had unfairly declined the claim because there remained several concerns and inconsistencies which she thought made it reasonable for Advantage to think the claim likely was fraudulent.
- She didn't think there were any unreasonable delays on the claim as after 5 July 2023 the time taken to conclude the claim was due to Advantage validating the

claim, rather than any errors it had made. And it wasn't unreasonable for Advantage to have taken this time to confirm if the claim was genuine.

- There wasn't evidence showing that due to his son's health, Advantage had discriminated against Mr A1, or treated him differently to how it would have treated another customer whose claim it was validating.

Because Mr A1 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 while I've read and considered everything Mr A1 and Advantage have provided, I won't be commenting on every point made. I'll instead concentrate on what I consider are the key points I need to think about for me to reach a fair and reasonable decision. This isn't meant as a discourtesy to either party, but instead reflects the informal nature of this Service.*

*I should also say I'll only be considering the issues complained about which happened after 5 July 2023 since another ombudsman here has already provided a final decision covering the issues Mr A1 complained about which happened before then.*

*Mr A1's complaint arose because after July 2023 Advantage his claim remained unresolved. But this was because Advantage had decided to decline the claim. I acknowledge Mr A1 says he wasn't notified of this, but Advantage has provided a copy of the email dated 2 October 2023 setting out its decision to decline the claim. This was sent to the same email address Mr A1 had been using to contact Advantage and has also used to communicate with us. So, I'm satisfied this shows Advantage communicated its decision to decline the claim to Mr A1.*

*Accordingly, I've considered if Advantage unfairly declined the claim. I've began by looking at the policy terms. These say if the policy holder, or anyone acting for them, knowingly provides information which isn't true, misleads Advantage in any way, or makes a claim knowing it to be false or fraudulently exaggerated in any respect, Advantage may be entitled to refuse responsibility for the claim and cancel or void the policy without providing a refund of premium.*

*It isn't unusual for insurance policies to have terms like these, and in addition to the policy terms, the Insurance Act 2015 also allows insurers to refuse to pay a claim which is false or exaggerated. So, if the claim was fraudulent, Advantage would have reasonable grounds to have declined it.*

*However, fraud is a serious accusation that can cause significant harm to a customer. For Advantage to have fairly declined the claim, it must demonstrate it had sufficient grounds to reasonably believe the claim was likely false or exaggerated. I should clarify that my role is not to determine whether the claim was fraudulent, but to assess whether Advantage acted unfairly by declining it. Therefore, I have considered whether Advantage has provided enough evidence to show it had a fair and reasonable basis to think the claim likely was false or exaggerated.*

*In addition to other concerns about the claim, Advantage had concerns about the purchase price of the car, it's condition before it was bought by Mr A2, and combined number of previous total loss claims made by Mr A1, Mr A2 and the other named driver on the policy. Ultimately, after completing its investigations, Advantage concluded false information was provided by Mr A1 and Mr A2 to support the value of the vehicle.*

Advantage carried out interviews with Mr A1 and Mr A2 which it's provided transcripts of. Various concerns with the payment for the car were discussed during these interviews. These included how Mr A2 could pay monthly repayments of £1,500 for the car on his monthly salary of £1,600, a receipt and schedule of payments appearing to be produced on the date they were requested and containing different signatures for the seller and different prices for the car, and the amount paid for the car.

I think these were reasonable concerns. The car was recorded as a Category S total loss before it was bought by Mr A2, found by an engineer Advantage instructed to have various pre-existing faults - some of which were believed to be related to the previous total loss, and Advantage also said a similar car could have been bought from a dealer around the time of purchase for around £20,000, which is significantly less than the £33,500 Mr A1 and Mr A2 said was paid for the car.

Given the unusually high number of combined total loss claims made by those named on the policy, and the above concerns relating to the purchase price of the car, Advantage were concerned the purchase price was exaggerated to hide the condition and gain from an increased valuation. And I note during the interview with Mr A1, he said he'd previously bought a car for £800 but had received a total loss settlement of £2,500. So, I don't think it was unusual or unreasonable that Advantage were concerned the price of the car may have been exaggerated, or that it sought evidence to show it hadn't been.

I think Advantage carried out a thorough investigation and gave Mr A1 and Mr A2 reasonable opportunities to address the concerns it had with the claim and demonstrate the price of the car and how it was being paid for. And, while I've looked carefully at the responses

Mr A1 and Mr A2 provided, and the evidence they supplied, on balance, I'm satisfied Advantage didn't unfairly think the claim likely was false or exaggerated. So, I don't think it unfairly declined the claim.

I say this because I think following Advantage's investigations there were still reasonable outstanding concerns it had with the claim which I don't think were persuasively addressed by Mr A1 and Mr A2 - for example the purchase price of the car being different on the sales invoice and payment schedule, and the source of funds for the £1,500 monthly repayments for the car.

I acknowledge Mr A1 was unhappy with the length of time Advantage took to deal with the claim. As I mentioned earlier, I can only consider the events after 5 July 2023. Having done so, I don't think there were any unreasonable delays caused by Advantage on the claim. After this date, Advantage were investigating and reviewing whether the claim was fraudulent and I don't think it was unreasonable for Advantage to have looked into this, or for it to ensure it had completed a thorough investigation before reaching a decision on whether to pay the claim.

Mr A1 said he thinks Advantage may have discriminated against him by not considering his family circumstances and that he cares for a son with medical needs. Other than Mr A1's comments, I've seen no further evidence to show this. Advantage couldn't pay the claim because it was carrying out investigations into whether the claim was fraudulent. And I don't think Advantage has treated Mr A1 differently to any other customer making a claim which it had similar concerns about and for similar reasons.

Our investigator said we couldn't look at the complaint point Mr A1 raised about Advantage recording a salvage category for the car because Mr A1 hadn't already complained to Advantage about this. But Mr A1 said he had complained to Advantage about this in February 2024 and he's provided a copy of an email showing he did so. So, I've reached a

*different position to the investigator on this point, and I'm satisfied this part of the complaint can be considered.*

*Mr A1 provided a copy of the HPI check. I can see from this the car was recorded in April 2023 as a Category S total loss - meaning the car had suffered structural damage which the insurer deemed uneconomic to repair. The HPI check also records that the insurer decided not to repair the car.*

*Mr A1 says it was unfair for Advantage to record the car as a total loss without his consent and without paying the claim. But under ABI rules Advantage were required to complete an entry on the MIAFTR database as soon as reasonably practical after inspecting the car to record its salvage category. And Advantage did not need Mr A1's consent to do this. So, I don't think Advantage acted unfairly by recording the car as a total loss as it was acting in line with industry standards and meeting its requirement under the ABI rules."*

Advantage replied to the provisional decision saying it had nothing further to add. Mr A1 replied saying there were inaccuracies in my findings, there wasn't evidence to back up what Advantage had said, and that he wanted an extension to provide a response.

### **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 conclusion as I did in my provisional decision and for the same reasons.

I acknowledge Mr A1's comments that procedurally he thinks he has been treated unfairly. But after the investigator provided her opinion on 22 November 2024, Mr A1 asked for an extension to reply to provide additional evidence on multiple occasions. Ultimately, there was period of approximately four months between the date of the investigators opinion and the date I issued my provisional decision in which Mr A1 could have obtained and submitted any further evidence he wished to be considered. Mr A1 has also had the time from the date of my provisional decision until the date of this final decision in which to provide any further evidence or comments.

We have a statutory responsibility to resolve complaints efficiently, and I'm satisfied Mr A1 has had a fair opportunity to provide evidence. I would also like to reassure Mr A1 that while I may not comment on everything he and Advantage have said, I have read and considered everything which has been provided, and I am satisfied I have enough information to issue a fair decision.

The crux of Mr A1's complaint is that Advantage declined his claim because it thought it was fraudulent. My role is to consider the complaint impartially, and in context, that means to decide if Advantage had a fair and reasonable basis to think the claim likely was fraudulent.

I've considered Mr A1's response to my provisional decision. But I don't think there's any new evidence which would lead me to reach a different position to that in my provisional decision. Mr A1 says that there is evidence in Advantage's file which contradicts its position, but he hasn't referred to anything specifically, or provided anything more to support this.

Advantage provided several reasons why it thought the claim was fraudulent. But Advantage doesn't need to prove *all* the reasons it gave to have fairly declined the claim as fraudulent. It needed to show that it had a fair and reasonable basis to think it had knowingly been

provided with information by the policy holder, or someone acting on their behalf, that was false or exaggerated.

I found in my provisional decision that Advantage had a fair basis to think this had happened - in particular due to concerns around the payment of the car evidenced by Advantage in the transcripts it provided and documentation supplied by Mr A1 and Mr A2 to show how the car was being paid for. Since nothing more has been provided which I think shows otherwise, I still think this gave Advantage a reasonable basis to think the claim was likely fraudulent and to have taken the actions it did in response.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A1 and Mr A2 to accept or reject my decision before 14 May 2025.

Daniel Tinkler  
**Ombudsman**