

## **The complaint**

Mr R complains Advantage Insurance Company Limited (Advantage) provided him with incorrect information about how his no claims discount would be impacted by a claim made under his motor insurance policy. He also complains about the way his claim was handled.

## **What happened**

The circumstances of this complaint will be well known to both parties and so I've summarised events. In January 2024 Mr R was unfortunately involved in an accident involving another vehicle and so reported a claim under his motor insurance policy. In July 2024 Mr R raised a complaint with Advantage. He said he was unhappy he had been asked to send in photographs of his vehicle when he had already sent these previously. He was also unhappy his no claims discount (NCD) was being impacted by the accident when he was told previously it wouldn't be.

On 8 August 2024 Advantage issued Mr R with a final response to his complaint. It said it had incorrectly told Mr R his NCD wouldn't be affected by the claim. It said as Mr R's NCD wasn't protected it would be reduced to 4 years. It said its handler had failed to check whether Mr R had sent in photographs previously. It offered Mr R £50 compensation as an apology. Mr R didn't think this was reasonable and so referred his complaint to this Service.

Our investigator looked into things. He said he thought Mr R's NCD would have been impacted regardless of whether Mr R claimed for his vehicle, as the third-party involved in the accident had made a claim. He said he thought £150 compensation was more reasonable to acknowledge the distress and inconvenience Mr R was caused by the incorrect information he was provided.

Mr R didn't agree with our investigator. He said Advantage provided him with misleading information when he was in a vulnerable position. He said he had made a financial commitment to purchase a new vehicle based on the incorrect information he had been provided.

As Mr R didn't agree with our investigator, the complaint has 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.

I want to acknowledge I've summarised Mr R's complaint in less detail than he's presented it. I've not commented on every point he has raised, instead I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr R and Advantage I've read and considered everything that's been provided.

The terms of Mr R's policy explain if the insured makes a non-recoverable claim, the level of NCD will be reduced at the next renewal as detailed in the cover summary. The cover

summary shows Mr R's NCD wasn't protected and explains if Mr R makes one claim in the policy year his no claims discount will reduce to four years. So, I'm satisfied it's correct Mr R's NCD should reduce to four years.

Advantage have acknowledged it told Mr R his NCD wouldn't be impacted by the claim and failed to notice he had already sent in photos of his vehicle. It offered Mr R £50 compensation and so I've considered whether this is reasonable to acknowledge the impact caused to Mr R.

I think Mr R has been caused distress by the misinformation Advantage gave him about his NCD. It would have been disappointing for Mr R to learn his NCD would be impacted having been told previously it wouldn't be, particularly given the difficult period Mr R has said he was going through.

Mr R has said the misinformation he was provided impacted his decision on which new vehicle he decide to purchase. Whilst I acknowledge the cost to insure a vehicle was likely a consideration when Mr R purchased a new vehicle, I'm not persuaded Mr R's NCD would have been the sole or driving factor in the new vehicle he decided to purchase. And so, whilst I think Mr R should be compensated for the loss of expectation he suffered, I don't think Mr R would be in a different position even had Advantage not made the error it did.

I think Mr R has been caused minor inconvenience by having to resend photos of his vehicle he had already sent previously.

Having taken this into consideration, I don't think the £50 compensation Advantage have offered Mr R appropriately takes into consideration the distress and inconvenience he was caused by its errors. I think in particular the misinformation Mr R was provided about his NCD was distressing for him, and came at a time he was going through a difficult period and so I think £150 compensation is more reasonable to acknowledge the distress and inconvenience caused to Mr R.

### **My final decision**

For the reasons I've outlined above, I uphold Mr R's complaint about Advantage Insurance Company Limited. I require it to pay Mr R £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 20 June 2025.

Andrew Clarke  
**Ombudsman**