

## **The complaint**

Miss S complains Advantage Insurance Company Limited (Advantage) provided a poor level of service which caused delays when she made a claim on her motor insurance policy.

Advantage are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Advantage have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Advantage includes the actions of the intermediary.

## **What happened**

Miss S made a claim on her motor insurance policy after she was involved in a collision with a third-party.

Miss S said the incident wasn't her fault. The third-party insurer didn't accept this. Miss S provided Advantage with the details of an independent witness who could confirm the third-party driver was at fault.

Miss S's car was classed as a total loss and Advantage settled the claim. Because there was outstanding finance due on the car, the total loss settlement was paid to the finance company.

Approximately six months later Advantage contacted Miss S to discuss the current status of her claim. Miss S was unaware her claim was still ongoing. Advantage accepted it should've been more proactive in its attempts to communicate with Miss S in April 2024. It felt its communication following this date had been to an acceptable standard. It paid her £100 compensation for the poor service received.

Because Miss S was not happy with Advantage she brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said they thought a fairer award would be £400 for the distress and inconvenience over the eight months of the claims process to include difficulties with communication, valuations, finance and witness contact.

As Advantage is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## **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.

### ***Delay in settlement of claim***

Miss S made her claim on 20 March 2024. An engineer's report was undertaken, and Advantage made a total loss settlement offer in mid-April 2024. Miss S rejected this. An

interim payment was raised for the rejected settlement on 18 April 2024. I saw Advantage reviewed its total loss valuation and increased its offer. It made a further payment on 28 April 2024. Both payments went to the finance company to pay towards the outstanding amount due.

Advantage accept there was a lack of communication from it between 1 April 2024 and 12 April 2024, and this delayed the settlement by 11 days. It paid Miss S £100 for the poor communication which led to this short delay.

Miss S said she had to pay the shortfall for the finance on her car leaving her in debt and she struggled to obtain affordable new motor insurance cover. I recognise there was outstanding finance to pay after the settlement was made. Although this is not an ideal situation for Miss S I am unable to consider any financial arrangement made by her to buy her car. This is because it was an arrangement made by herself and is not covered by her motor insurance policy. I cannot hold Advantage responsible for any finance shortfall.

### ***Liability***

It should be noted at the point this complaint was made Miss S's claim was still open and therefore any liability outcome hasn't been considered.

In mid-May 2024 Advantage told Miss S that because the third-party insurer was disputing liability it had recorded the claim as split liability whilst it pursued liability with the third-party. She disputed the split liability decision.

Advantage next contacted Miss S in November 2024 to give her an update on progress. She was unaware her claim was still open. Advantage said it hadn't needed to contact her prior to this because her claim settlement had been paid. It said it still hadn't had acceptance of liability and needed to get as much evidence as it could, otherwise this could affect Miss S as the claim may be recorded as fault.

In this case I saw evidence Advantage contacted the independent witness on 27 March 2024 to request they provide a statement. A further request for a statement was sent a few weeks later and again on 6 June 2024. Advantage didn't contact the witness again until the start of October 2024. At this point the witness said he had already sent his statement twice by post and confirmed he didn't want to take part anymore. Advantage said it has been unable to locate the completed witness statement being received in the post.

It isn't unusual for an insurer to keep a claim open and recorded as split liability whilst it obtains evidence and continues to liaise with the third-party insurer when liability is in dispute. In this case it was almost four months after its request in June 2024 that Advantage made phone contact with the independent witness to say it hadn't received his completed witness statement. I think it should've been more proactive in following up with the independent witness much sooner than this.

Because Miss S thought she was not at fault for the accident and had provided details of an independent witness I can understand why she would've thought her claim was closed after she hadn't heard from Advantage for a number of months. I don't think it was reasonable for Advantage not to be in touch with her after its settlement of the claim in April 2024 for such a prolonged period of time. A reasonable level of service would be a brief contact with her on a monthly basis to keep her notified of the claim liability situation even if there was no progress.

Because Advantage didn't obtain the independent witness statement, this left Miss S's claim without a key piece of evidence to support her non-fault liability claim. I saw once Miss S

was made aware that Advantage hadn't obtained this statement she felt compelled to try and obtain it herself and to also contact the police to get their evidence in support of her claim being settled as non-fault.

I haven't seen any evidence that shows Miss S struggled to obtain affordable new motor insurance cover due to any incorrect action by Advantage. Advantage confirmed that she didn't request for it to provide a quote for cover on a replacement car.

After consideration of this case, I uphold Miss S's complaint.

### **Putting things right**

I think the fair and reasonable outcome in this case is for Advantage to increase its offer of compensation for the delay in paying her settlement. And in addition for the distress and inconvenience caused to her due to its lack of communication to her, and lack of activity in pursuing and obtaining the independent witness evidence in the months following her claim. I think a total of £400 compensation is fair in the circumstances.

### **My final decision**

For the reasons I have given I uphold this complaint.

I require Advantage Insurance Company Limited to pay Miss S £400 compensation for the distress and inconvenience caused to her due to delays, its lack of communication to her and lack of proactive activity to obtain available evidence to support her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 8 July 2025.

Sally-Ann Harding  
**Ombudsman**