

The complaint

Mr D complains that Advantage Insurance Company Limited recorded an incident on his driving record when he didn't make a claim on his motor insurance policy. He wants this incident removed from his record.

What happened

Mr D was involved in an incident with another driver. Mr D reported this to Advantage, arranged for his own repairs and made a claim. But after the other driver said he wouldn't claim for repairs but disputed liability, Mr D withdrew his claim. Advantage recorded this as "for notification only" and this led to a premium increase when Mr D's policy was renewed. Mr D thought this was unfair as he hadn't made a claim, and the incident would remain on his record for five years.

Our Investigator didn't recommend that the complaint should be upheld. She thought Advantage was required to record Mr D's driving history accurately. So she thought it had correctly recorded the incident as notification only on the Claims and Underwriting Exchange (CUE) database. She didn't think Advantage had done anything wrong in increasing Mr D's premium at renewal as it had reasonably based this on its assessment of risk which included other factors as well.

Mr D replied that he was being punished unfairly by Advantage. He thought Advantage should have defended his position on liability. Mr D asked for an Ombudsman's review, so his complaint has come to me for a final decision.

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 have no doubt that Mr D is a careful driver. And I was sorry to hear about the impact this matter has made on him at a difficult time. I can understand that he feels frustrated that his renewal premium increased even though he didn't make a claim on his policy. He's explained that the repairs and premium increase have cost him about £1,300.

Mr D thought that Advantage should have defended his position when liability was challenged by the other driver. Advantage said that because of the lack of independent witnesses, the most likely outcome would be a split liability decision. This would mean a fault claim on both drivers' records and Mr D would have to pay his policy excess. Mr D accepted this and decided not to claim. And I can't see that he has complained directly to Advantage about its liability decision.

Nevertheless, the Investigator explained that it isn't our role to decide who was responsible for causing the accident. This is the role of the courts. Instead, our role in complaints of this nature is simply to investigate how the insurer made the decision to settle the claim. Did it act fairly and reasonably and in line with the terms and conditions of the policy? And has it treated Mr D the same as someone else in his position.

Advantage is entitled under the terms and conditions of its policy with Mr D to take over, defend, or settle a claim as it sees fit. Mr D has to follow its advice in connection with the settlement of his claim, whether he agrees with the outcome or not.

This is a common term in motor insurance policies, and I do not find it unusual. Insurers are entitled to take a commercial decision about whether it is reasonable to contest a third party claim or better to compromise.

I can see that the evidence that Advantage had to consider was the versions of events provided by both parties. There were no independent witnesses or CCTV or other footage available. So it was one driver's word against the other's.

Mr D said Advantage should have considered the position of damage to his car. But I can see that Mr D decided not to go ahead with his claim. And the other driver didn't make a claim. So Advantage doesn't have any losses to defend.

But Advantage said it could re-open the claim if Mr D changed his mind. So I think this option is still available to Mr D if he so chooses. And if Mr D then remains unhappy with Advantage's liability decision, he can raise a complaint with it.

So Advantage closed the claim as "for notification only" and this led to a premium increase at Mr D's renewal. While some insurers will only rate on No Claims Discount (NCD) disallowed or "fault" claims, others will consider any claim – or even just a claim notification – as a "risk factor". This is because insurers say that drivers who have been involved in incidents, regardless of fault, are more likely to be involved in future claims.

I can understand that Mr D may find this to be illogical. But being involved in an incident could be linked to such things as his use of higher risk roads or junctions or driving at particular times.

I think Advantage has reasonably explained that the premium increase at renewal was due to several factors. These included general inflation, rising insurance costs, and other risk-related considerations, as well as the notification.

I think it was reasonable for Advantage to take these into consideration when assessing the premium it wanted to charge. So, I think the explanation provided by Advantage for the increase was reasonable. Mr D accepted the renewal premium he negotiated, and he hasn't complained about this further. I think Mr D could have shopped around if he didn't accept the renewal premium.

Advantage also recorded the incident on CUE. I can understand that Mr D feels this to be unfair as it will likely affect his premium in the future. But I'm satisfied that Advantage is obliged to accurately record Mr D's driving history. There's no dispute that he was involved in the incident. And so I think Advantage correctly recorded this on CUE as "for notification only" and I don't require it to remove this.

My final decision

For the reasons given above, 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 D to accept or reject my decision before 3 June 2025.

Phillip Berechree
Ombudsman