

## **The complaint**

Ms D & Mr H complain about the way Advantage Insurance Company Limited (“Advantage”) dealt with and investigated a claim following a collision under their car insurance policy.

The collision in question involved Ms D and I can see from the file she’s been the main point of contact with this service. So, for ease, I’m going to refer to her throughout.

## **What happened**

Ms D had a car insurance policy with Advantage.

In January 2023 Ms D was at some traffic lights when her car was hit by a third-party vehicle causing damage to the front offside wheel arch area.

She contacted Advantage and made a claim.

Advantage said it thought the third party was likely responsible. The third party’s insurer thought Ms D was responsible. It later provided dashcam footage and a witness statement who was a passenger in the third-party vehicle.

Advantage used the services of various legal companies to take the matter further. In December 2023 it offered to split liability for the claim on a 50/50 basis, but it withdrew this offer later in 2024 after viewing the dashcam footage and maintaining that the third party was at fault.

Ms D complained. She said she’d told Advantage about CCTV footage in the area, but Advantage said it had no evidence she’d told it.

It offered Ms D £100 compensation for its service. Ms D remained unhappy and brought her complaint to this service. Advantage then offered a total of £250 compensation due to the delays and service she’d had. Ms D asks for reinstatement of her No Claims Discount, compensation for her distress and financial losses, acknowledgement of negligence and improved processes.

Our investigator looked into her complaint and thought it would be upheld, but he thought Advantage’s revised offer of compensation was fair.

Ms D didn’t agree with the view and asked that her complaint was reviewed by an ombudsman. So it’s been passed to me to make a decision.

I issued a provisional decision intending to increase the amount of compensation Advantage needed to pay them:

*“It’s important I start by saying it’s not this service’s role to determine who is liable for a collision. But what I can do is decide whether I think Advantage investigated Ms D’s claim fairly and reached a reasonable outcome. And, in this case, I don’t think it has. I’ll explain why.*

*Ms D has made comments in her later correspondence about the role of this service in holding Advantage to account for what she sees as its systemic failures. I need to point out that we're not the regulator. This is an independent dispute resolution service and I'm looking at her case alone, and considering its merits. If Ms D has concerns about the conduct of Advantage, then she can raise those with the regulator, which is the Financial Conduct Authority.*

*I can see from the file that Ms D has found the collision that happened, and the subsequent legal process, very stressful and upsetting. It's my role to look at Advantage's role in that, and decide to what extent it caused her distress.*

*From the file and a timeline sent to me by Ms D I can see there were significant delays in progressing the claim, of which a five-month delay has been accepted by Advantage. It may help Ms D if I explain that I think there are two main parts to her complaint. The first of those relates to the actions of the third-party driver, their insurance company ("TPI") and their legal team. I can see that the actions of the third-party driver have caused Ms D significant distress.*

*The TPI denied liability for the collision, saying Ms D had hit the third-party vehicle in the rear. The third party's supporting documents show evidence that the collision was a glancing blow and the nearside of the third party had come into light contact with Ms D's front offside wheel arch. In other words, the allegation doesn't seem to fit the evidence.*

*Around five months after the collision, the third party also made an allegation of personal injury against Ms D, and I can see this caused her significant distress as she maintained the collision wasn't her fault. I'll also mention that the third-party driver seems to have used several different legal companies in making their claim against Ms D.*

*Advantage exchanged correspondence with the TPI and Advantage offered a 50/50 split on liability in December 2023.*

*In response, the TPI sent dashcam footage from the third-party vehicle in February 2024 saying it still held Ms D fully at fault. Advantage couldn't view this file and was chasing the password for it over six months later.*

*Advantage then decided to retract its 50/50 offer and in November 2024 instructed a new solicitor to pursue the third party, whom it now held 100% at fault. It also rejected the third party's injury claim.*

*It's important I say that Advantage isn't responsible for the actions of the third party, who operate to their own timescales. But what I can take into account is how Advantage's actions, or lack of action, may have meant Ms D suffered additional distress due to how it handled her. I'll return to this point later.*

*The second main part of Ms D's complaint relates directly to how Advantage handled her claim.*

*When Ms D reported the collision she says she told it about CCTV in the area. Advantage wasn't able to retrieve this call from its database.*

*Ms D has talked at some length about Advantage's failure to obtain CCTV footage of the collision, which she says should have been readily available given the busy location in which it happened. I need to say that Advantage has a responsibility to keep its costs low, which may mean that it doesn't follow up gathering evidence, and it may have chosen to not follow this path because it had some post-collision images and video from Ms D.*

*But Advantage's handling of how it went about telling Ms D that it was "too late" to gather the CCTV footage has caused her distress and I'll take that into consideration.*

*I also think it's fair I say that, if Advantage obtained some footage earlier in the claims process, I think it's possible Ms D's claims journey may have been shortened considerably.*

*Advantage has said the dashcam footage from the third party seemed to show that the third-party driver was likely at fault, but as this footage wasn't available to it until about 20 months after the collision, I don't think its service has been very good.*

*Early on in the claim, Advantage passed Ms D's claim to a solicitor acting on its behalf, to seek recovery from the third-party driver. This solicitor tried to contact Ms D but she didn't respond. So, the solicitor closed the file, but didn't report this to Advantage. Advantage only became aware the file was closed about 19 months later.*

*I've looked carefully at the timeline of events that have happened during Ms D's claim. I can see Advantage, or its nominated legal team, is responsible for some delays during her claim.*

*In its response to this service, Advantage said it accepted it caused delays of five months, which is why it raised its compensation to £250.*

*I need to balance this poor service with Ms D's failure to engage with the original solicitor, which tried to contact her four times about the collision.*

*I appreciate that solicitor didn't correctly report back to Advantage, and ultimately Advantage didn't chase this up, but I can't see this failure affected the timeline of events as the TPI had been slow to respond. I've said above that the TPI took 13 months to send the dashcam footage to Advantage.*

*But I do think the lack of proactive management of the claim caused distress to Ms D when she became aware of the respective problems between the original solicitor and Advantage and at other stages in the process.*

*Ms D has also said she's lost her NCD as the claim is open on her records. This approach is common in motor insurance, and when Advantage completes its recovery of costs from the TPI then it's likely Ms D's NCD will be reinstated and her premiums adjusted. I can see she was told this during her claim, and that she may get some money back.*

*She's also said she couldn't afford to renew with Advantage and paid a friend of hers £1,000 to arrange cover for her in November 2023, before taking out her own again later. It's important I say that these were choices Ms D made.*

*I can't fairly say that it's only Advantage that's contributed to the delays here, as the TPI hasn't been pro-active either. So I can't ask Advantage to pay for Ms D's increased costs, as she may be able to get some money back when and if her NCD is corrected once the claim is settled.*

*But, taking everything into account, I can see Ms D had been greatly affected by the claim she made. Some of her distress is due to the actions of the third-party driver in making their claims against her, and some is due to the TPI not responding to Advantage or providing evidence as soon as it could. I can't say Advantage is responsible for that.*

*What I feel I can say is that Advantage hasn't acted pro-actively during Ms D's claim. From the file I have, I can see that it's primarily been Ms D who's contacted it to ask for updates.*

*As I mention above, I also need to take into account that Ms D didn't respond to Advantage's appointed solicitors as well, and her early engagement with that company may have meant her claim progressed more smoothly rather than waiting for the third-party driver to make allegations against her.*

*I can see there was a substantial delay of about five months caused by Advantage receiving the dashcam footage and not dealing with it effectively.*

*And I agree with Ms D that Advantage should have taken a more proactive approach with possible CCTV footage. Again, there's no actual evidence this was discussed at the first stage of her claim, but I think it likely to think something was mentioned as I can see Ms D provided some footage of her own post-collision. This possible CCTV evidence, if it was obtained quickly, may have helped Ms D and Advantage quickly defend the claim.*

*It's important I say that CCTV footage may not have been available, and the claim may have progressed as it has, but unfortunately this will now not be known for certain.*

*As I've said above, it's the lack of case management by Advantage that I think has led to significant amounts of Ms D's distress. It's possible that if it had been more pro-active, the claim could have been defended much earlier instead of still being dealt with two years later.*

*I need to balance that against the actions of the third party. I've thought carefully about this, and consulted this service's guidelines on compensation, and I think the appropriate level should be set at £500."*

*Ms D responded to my provisional decision with further evidence, so I issued a second provisional decision intending to increase the compensation further:*

*"I'm sorry to hear about Ms D's struggles with her mental health caused by the collision and the process she's been through since then.*

*I've thought carefully about her response to my provisional decision, and examined the case file again to consider her responses to the points I'd raised. I'm not going to respond to all of the points she's raised, as I think my provisional decision dealt with several of them.*

*As I mentioned, we're not the regulator and don't have the power to ask a company to change its procedures.*

*Having thought about the information on file, I'm upholding her complaint and proposing to increase the amount of compensation I think she should receive. But I'm not going to increase it to the levels Ms D asks for. I appreciate this will be disappointing for Ms D and I'll explain why I'm proposing to reach this decision.*

*It's also important I say that Ms D has made complaints about the actions of the legal companies she was put in contact with to recover her uninsured losses. Unfortunately, I'm not able to consider complaints about the actions of those companies as they don't fall into our jurisdiction. But I can think about how those companies' interactions with Advantage may*

*have affected her. Ms D has supplied evidence that she did try to re-engage with the legal companies, but they didn't reply to her repeated enquiries.*

*When Ms D responded to my first provisional decision she asked me to include consideration for her extra costs she'd incurred buying car insurance when her claim was still 'open' and her NCD affected. I'd referred to her paying her friend £1,000 cash as being her choice. I can understand Ms D's frustration when she received her renewal notice asking*

*her to pay £1,800. But her response to that was to ask a person to take out a policy, for which she's said she paid about £1,500. But she hasn't proof that she paid the cash amount.*

*Ms D has talked about the fact she needed her car and insurance to be able to get to work, so it's fair I say she would have incurred costs for insurance since then. Ms D chose to arrange her insurance in the way she did, and whether the route she took was out of frustration with Advantage's actions or something else, I can't say it'd be fair of me to ask Advantage to pay for it.*

*As I mentioned in my first provisional decision, when and if Ms D's claim is settled in her favour, she can approach her insurer with proof and ask for an appropriate refund. This service would support that approach. Unfortunately for Ms D, because she chose to use a friend to buy the policy, this route may not be open to her. And I can't say that's Advantage's fault as it was her choice to buy insurance in this way.*

*I agree with Ms D that Advantage's service hasn't been very good, and its handling of the third party's dashcam footage directly caused a delay. But as I said in my first provisional decision, the third-party driver caused a much longer delay in serving notice of their claim.*

*In her response, Ms D has again talked about the CCTV footage at some length and I've said above that I think Advantage should have been more proactive. I need to reiterate that there's no evidence that the CCTV was discussed at an early stage in the claim, although I recognise Ms D is insistent she did talk about it.*

*Again, it's very important Ms D understands that, even if the footage had been requested, it may not have been delivered, or usable, and it may not have shown the collision in the way Ms D expects. In other words, the presence of CCTV doesn't necessarily mean a claim can be definitively decided. The case in point here is the third party's dashcam footage, which the third party said meant Ms D was at fault for the collision, but Advantage used the same footage to withdraw its 50/50 offer and revert to 0% fault for Ms D.*

*Taking everything into account, I've thought about my first provisional decision in which I thought about Ms D's apparent lack of response to the legal companies. I can see from her evidence that she did try to engage with them, and it's important I take that into account when thinking about compensation. I can see Ms D has been struggling with her mental health due to the ongoing impact of the collision itself, and then Advantage's handling of her claim and its lack of proactivity and, simply, only contacting her twice during her claim.*

*In this decision I can only deal with the impact on her of Advantage's service – I can't take into account the actions of the third party in delaying their claim and making repeated approaches via different claims companies.*

*Having thought carefully about this, I'm intending to increase the level of compensation Advantage needs to pay her to £800 for her distress and inconvenience caused by its poor claims handling.*

## **Responses to my provisional decision**

Advantage accepted my provisional decision.

Ms D responded and asked that the level of compensation was increased to £2,000. She provided a letter written by the person she paid £1,000 cash to. She clarified that she'd paid this cash for a policy, and later paid another insurer about £800 for a year's cover.

She said her NCD was still affected because her claim was still open.

### **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've considered Ms D's responses to my provisional decisions carefully. I'm not going to respond to all the points she's made, as I think I've already dealt with most of them earlier. But I thank her for her diligence and detailed responses.

Having considered her response, I'm upholding her complaint, but I'm not going to increase the level of compensation I'm awarding her. I do appreciate this will be a disappointment to her, and I'll explain why I'm deciding this.

There are some points I can deal with. Ms D has talked about her ongoing higher costs because her NCD has been affected by the ongoing claim. What I need to say is that, once her claim is closed (and held as non-fault, as seems to be Advantage's intention), her NCD should be reinstated. What that means is that she can approach her insurer and ask that her premium is recalculated on the revised NCD. This service would support that approach.

Unfortunately for Ms D, she asked a friend to take out cover for her for a year and paid cash for this. Ms D has provided this service with a letter from the friend detailing what went on at that time, and agreeing the money was paid and what it was for. But I'm afraid I'm not able to agree that Advantage needs to pay towards this. The reason for this is that I think Ms D made a choice to carry on her insurance in this way. I do understand she had reasons for doing it, but I don't agree that it's Advantage's reasonable responsibility to refund her for the consequences of her choice.

Ms D may find that, when her NCD is clarified, it's also possible for her friend to obtain a partial refund from whichever insurer they used.

Ms D has talked extensively about the impact of the collision and the subsequent time it's taken to deal with her claim and the legal matters. What I'm able to consider is the delays and bad service she had that were caused by Advantage. And, from reviewing the evidence on file, I think £800 is fair compensation for those. The file shows me that a great deal of the delays and distress seem to have been caused by the third party's actions, and I can't fairly say that's Advantage's fault.

I'd ask that Advantage now move swiftly to close Ms D's claim.

### **My final decision**

It's my final decision that I uphold this complaint. I direct Advantage Insurance Company Limited to pay Ms D and Mr H £800 compensation for their distress and inconvenience.

Advantage Insurance Company Limited must pay the amount within 28 days of the date on which we tell it Ms D & Mr H accept my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D and Mr H to accept or reject my decision before 11 July 2025.

Richard Sowden  
**Ombudsman**