

## The complaint

Miss T complains about Advantage Insurance Company Limited (Advantage) not refunding the premium she paid for temporary cover she took out for a vehicle she was planning to purchase under her motor insurance policy, but didn't proceed with the purchase.

References to Advantage in this decision include their agents.

## What happened

In November 2024 Miss T was planning to purchase a vehicle from a garage. So, she contacted Advantage to arrange temporary insurance for the prospective purchase, which she was planning to make modifications to the vehicle and then look to take out permanent cover. She was told she could add the vehicle to her existing policy online, from the planned date of purchase for 28 days. She took out the temporary cover and was charged an additional premium of £39.54 plus an administration fee of £20.00 making a total additional payment of £59.54. However, when she went to the garage to pick up the vehicle she was unhappy with its condition and decided not to go through with the purchase.

She contacted Advantage again but was told that before making the change online, she would have been advised temporary changes were non-refundable and non-changeable and couldn't be cancelled, which was included in the policy terms and conditions.

Miss T wasn't happy that the temporary cover she'd taken out couldn't be cancelled or changed, so she wouldn't have the cost refunded. She was also unhappy at how Advantage had handled a call in which the issue was discussed. So, she complained.

In their final response, issued in November 2024, Advantage didn't uphold the complaint. They said they'd listened to the calls made to them on two occasions in November 2024. In the first, the agent explained that as she had an online policy the changes she wanted to make (to take out temporary cover) could be made online. The agent also explained that temporary cover could last for 28 days and that a £20 administration fee would apply when making a change. Miss T then added the temporary cover (temporary vehicle) online, for which she was charged the £59.54.

Advantage reiterated the point that before making the change online, she would have been advised temporary changes were non-refundable and non-changeable. But Miss T continued and made payment for the change. Advantage said temporary changes were non-refundable and couldn't be cancelled, as set out in the policy terms and conditions. So, they concluded they hadn't made any errors.

Regarding the behaviour of the agent on the second call, Advantage said the agent had tried to get a manager to speak to Miss T but one wasn't available. The agent logged a complaint from Miss T. So, Advantage concluded the agent hadn't done anything wrong.

Miss T then complained to this Service, unhappy with the final response. She said she hadn't been told the temporary cover couldn't be cancelled and the terms and conditions Advantage had referred to weren't made clear to her. She wanted Advantage to refund the payment she'd made.

Our investigator didn't uphold the complaint, concluding Advantage didn't need to take any action. From the calls Miss T made to Advantage, the investigator noted an agent went through the temporary cover process on the initial call, as Miss T navigated the online journey. Miss T didn't proceed at that point but subsequently took out the temporary cover later. Miss T contacted Advantage again two days later to tell them she hadn't proceeded with the purchase of the vehicle and wanted to cancel the temporary cover. At which point the agent told her the change was non-refundable and couldn't be cancelled.

From screenshots of the journey Miss T would have made online, the investigator concluded Miss T would have been shown information saying temporary changes couldn't be cancelled or amended, or refunds given should the cover not be needed. And a confirmation letter of the changes Miss T made included similar wording. So, the investigator concluded she would have been aware that taking out temporary cover couldn't be cancelled, amended or refunded. So, Hastings hadn't done anything wrong.

Miss T disagreed with the investigator's view and asked that an ombudsman consider the complaint. She said no insurance should be non-refundable and wasn't a fair contract term. The information about temporary changes not being cancellable or refundable was hidden, so she wasn't able to make an informed 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.

My role here is to decide whether Advantage have acted fairly towards Miss T.

The main issue in Miss T's complaint is that she wasn't told that the temporary cover she took out in anticipation of purchasing the vehicle couldn't be cancelled or refunded. She thinks this unfair and wants Advantage to refund the £59.54 she paid. Hastings say Miss T would have been made aware when taking out the temporary cover online that it couldn't be cancelled or amended, but she proceeded to take out the cover. Advantage also refer to the policy terms and conditions that make this clear.

Looking at the sequence of events, Miss T calls Advantage initially to enquire about adding a temporary vehicle for a limited period, which she is purchasing the following day, while modifications are made to the vehicle, at which point she would be insuring it elsewhere. The agent refers to Miss T adding a vehicle temporarily, which can be done online. The agent remains on the call while Miss T goes through the change process (via an app) and is quoted the £59.54 cost to take out the temporary cover. The agent refers to the cost including a non-refundable fee to make the change (£20). Miss T isn't happy with the additional cost and says she will look around.

But she later takes out the cover online, at which point Advantage issued a confirmation letter confirming details of the cover, the effective dates and additional payment made. There's also the following paragraph:

***"Important to know***

*Now that you've added a temporary vehicle to your policy, the change you've made can't be cancelled or amended. So if you change your mind and the temporary cover isn't required, we unfortunately won't be able to offer a refund."*

Advantage have also provided details of the journey Miss T would have made online when she took out temporary cover. Specifically, screenshots of what she would have seen when

making temporary changes, including temporary cover for an additional vehicle. There's a 'Temporary vehicle help' heading which expands to show the following text:

***"Adding a temporary vehicle***

*Before adding a temporary vehicle, it's best to check the following:...*

- *Make sure your details are all correct. Once you've added temporary vehicle cover to your policy, it can't be cancelled or amended. There's no refund if you no longer need the car either."*

Looking at the text under the bullet point, I think it makes it clear that adding temporary cover can't be cancelled or amended, and there is no refund should the cover no longer be needed. This text appears before the following steps Miss T would have taken to add the vehicle and other details, such as date from which the change is effective (including where the vehicle has not yet been purchased) before confirming the change and making payment.

Taken together with what the agent says on the first call about the fee for making a change being non-refundable and the confirmation letter, I've concluded Miss T should reasonably have been aware, before and after she made the change, that taking out temporary cover would be non-cancellable and non-refundable. But she proceeded to take out the cover, which was her decision to make. So, I don't agree with Miss T when she says the term was hidden or that she wasn't able to make an informed decision.

Listening to the second call, two days later, I can see Miss T telling the agent she didn't complete purchase of the vehicle as the garage had sold it. This is different to what Miss T said when bringing her complaint to this Service, but in any event I can't hold Advantage responsible for the purchase not going ahead, whatever the reason. Miss T says she purchased another vehicle.

I can understand Miss T being unhappy at not having the additional premium (and fee) refunded when she no longer needed the cover as the purchase didn't proceed as she had planned. But I can't conclude she was unaware of the cover being non-cancellable and non-refundable, although at the point she took out the cover she didn't anticipate it wouldn't, in the event, be required.

Miss T makes the point the contract term is unfair, which I appreciate how it appears to her given what happened, but as she should reasonably have been aware of it – but chose to proceed – then I don't think Advantage have acted unfairly or unreasonably. They've also provided a reason why they include the term, as compared to permanent changes, with the former not being updated on the Motor Insurance Database. As an operational decision by Advantage, I can't reasonably conclude it's unreasonable.

Taking all these points together, I've concluded Advantage haven't acted unfairly or unreasonably, so I won't be asking them to take any action.

**My final decision**

For the reasons set out above, it's my final decision not to uphold Miss T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 12 August 2025.

Paul King  
**Ombudsman**