

The complaint

Miss D and Mrs D complain about how Advantage Insurance Company Limited (“Advantage”) cancelled their motor insurance policy when it received new information about Mrs D’s claims history.

What happened

Miss D had a car insurance policy with Advantage. She arranged the policy online through a broker using a comparison website. Mrs D is a named driver on the policy, which cost about £105 per month.

The policy was taken out in late January 2025. When they applied for cover, Mrs D said she’d had two previous claims. In November 2022 she’d collided with a deer, causing one claim, and had a second claim when she’d claimed for a windscreen replacement in July 2022. In her application she told Advantage she wasn’t at ‘fault’ for either of these, but she confirmed her No Claims Discount (NCD) had been affected by the collision with the deer.

About two weeks after the policy started, Advantage cancelled the policy giving Miss D and Mrs D seven days’ notice. It did this because it said Mrs D’s circumstances were different from what she’d originally told it. It couldn’t offer her cover any longer.

The policy was cancelled by email, which were apparently delivered into Miss D’s spam folder. Advantage also said it had sent SMS messages, contacted her via its app, and wrote to Miss D to confirm her policy had been cancelled.

Miss D and Mrs D complained. Advantage said it had followed the correct process and it wasn’t possible to provide cover for Mrs D due to her ‘fault’ claim.

As they weren’t happy, they brought their complaint to this service. They said they’d had to buy cover elsewhere at a significantly higher premium because they’d had to disclose the policy cancellation. They said Advantage’s service had been poor and they’d been lied to by it. Their insurance cost went up to about £260 per month with the insurer they chose.

Our investigator looked into their complaint and thought it would be upheld. She asked Advantage to provide copies of phonecalls between it and Mrs D. Advantage didn’t respond.

Advantage later clarified that it hadn’t cancelled the policy due to misrepresentation. It said it cancelled because it couldn’t provide cover for Mrs D’s claims history. It hadn’t updated any central databases about it cancelling the policy and it said Miss D and Mrs D wouldn’t need to tell their new insurer about the cancellation.

Our investigator said Advantage should pay £250 compensation to Miss D for her inconvenience, a further £250 to Mrs D for her distress and inconvenience, and write to them and confirm they didn’t need to tell other insurance companies about the cancellation in future.

Miss D and Mrs D approached their new insurer with the information that Advantage gave

them, and received a small refund and slightly lower monthly payment. They asked that Advantage pays for some of their increased cost.

I asked Miss D and Mrs D whether they accepted the view, and they commented that they just wanted the case resolved. They continue to complain that their monthly cost went from about £105 to £260 per month with the new insurer.

Advantage didn't agree with the view. It said it thought it had acted fairly. It didn't respond further.

Because Advantage didn't agree with the view, this complaint has been passed to me to make a 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 can see from the file of evidence I've been provided that Miss D, and particularly Mrs D, have been distressed and somewhat inconvenienced by their policy being cancelled by Advantage.

I need to say that I can't consider their unhappiness with the premium being charged by their new insurer in this complaint. I understand from the file that they've now approached that company and corrected their information to show that Advantage hadn't cancelled their policy with it, but this only had a small impact on their premium. If they are unhappy with the actions of that new insurer, then they're free to make a complaint to it, and this service in due course.

When Miss D and Mrs D searched for their policy online, it's Mrs D's details that fall into the centre of this complaint.

I can see from the policy schedule issued by the broker that she disclosed she'd had two claims. The first was a windscreen claim, and the second (which is the key focus here) was for a single vehicle collision with an animal in November 2022.

"Incident history

For all drivers named on this policy, we need to know of any incident, claim or damage involving any motor vehicle in the past five years, including windscreen damage. This applies whether or not a claim was made, and regardless of blame.

<i>Driver</i>	<i>Date</i>	<i>Description</i>	<i>At fault</i>	<i>NCD affected</i>
<i>Mrs D</i>	<i>11/2022</i>	<i>Accident</i>	<i>No</i>	<i>Yes</i>
<i>Mrs D</i>	<i>07/2022</i>	<i>Windscreen/Glass</i>	<i>No</i>	<i>No</i>

The policy schedule issued by Advantage says:

"3/11/22 £3,544.93 AD only claim"

Mrs D has said when she used the comparison website, she selected an option that said "No other vehicle involved", but Advantage said it couldn't see that was an option, and the data recorded by it showed "Accident". Fault was "No" and NCD affected was "Yes".

I asked for details of the application journey from the comparison site. Advantage replied with the raw data from the site, but I can't see the relevant information on it. Advantage also said it couldn't recover the questions that were asked of Mrs D at the time. I'll also say that Advantage was given an extended period of time to provide this information and its ultimate answers weren't useful.

Mrs D has said that she selected an option saying "No other vehicle involved" or similar on the comparison site, but that option doesn't seem to exist when we checked. But as I say above, the actual questions from the site she answered weren't obtained by Advantage.

I've thought about this carefully. I think the broker's record of Mrs D's claims is indicative that she'd told it the information she thought was correct. I can, perhaps, say that Mrs D should have taken more care to check the record was correct, but the broker she applied to then seems to have passed the data to Advantage, or Advantage then carried out its own database searches.

Advantage, like other insurers, will carry out its own checks from other databases in order to validate what it's been told. When it did this, it found that the claim in question should have been disclosed by Mrs D as 'Fault' and 'NCD affected'.

It then proceeded to notify Miss D (who was the policyholder) that the policy would be cancelled, and it then proceeded to carry this out seven days later.

Advantage has confirmed that it could not have provided cover to Mrs D if it had known that she would be regarded as 'Fault' for this particular claim. But in answering that her NCD was affected by the claim, I think it's fair I say she'd done enough to make Advantage aware that the claim was her responsibility.

Taking everything into account, I think Advantage moved to cancel the policy in line with its terms and conditions. But I also think Mrs D made the broker, which was acting on behalf of Advantage, aware that she'd had an accident and her NCD was affected by it. I reasonably think this means she understood she was responsible for the costs arising from the claim, but possibly didn't understand that she would be held at 'fault' for it.

Mrs D has asked why Advantage didn't remove her from the policy, leaving Miss D's policy in force. I think this is a reasonable point to make and I haven't seen a response from Advantage that deals with this.

I can see Advantage wrote to Miss D and Mrs D to ask her to confirm her claims details, but I can't see she responded.

I can also see that Advantage told Miss D about the pending cancellation by SMS, email and a document in the driving app she had. When it cancelled her policy, Advantage sent her another SMS, emailed and wrote to her.

While I'm sure Miss D and Mrs D found the experience distressing, Advantage did notify them using different methods and I think it acted fairly and in line with the policy wording and this service's expectations when it did this.

I'm going to deal with this case on balance. What this means is that I don't think Advantage acted fairly in how it dealt with Mrs D's application for cover, as I think she did reasonably tell the broker about the claim, and its service to them hasn't been very good. But I also think Advantage did give Miss D and Mrs D notice about the claims details, and then about the cancellation of the policy and I think they should have responded to it.

Advantage told this service that the cancellation of the policy didn't need to be notified to other insurers in the future. But I can't see it directly told Miss D and Mrs D this, and I can see this caused them inconvenience. I'll also say that the policy is shown on Advantage's database as 'cancelled' but this doesn't have a bearing on other insurers. I think Advantage needs to write to Miss D and Mrs D and confirm that they don't need to tell other companies about this in future, as I think that will provide them with some reassurance.

I've also thought about the way Advantage communicated, particularly with Mrs D, about the cancellation and that they didn't need to tell other companies about it in future. And I think Advantage should have done better here. Mrs D has talked about its staff being rude to her and not returning calls and she's spent many hours dealing with it. Having reviewed the evidence I agree its service hasn't been very good.

So I think Advantage needs to pay a total of £500 compensation, £250 for Miss D and £250 for Mrs D due to the mistakes it's made in how it dealt with their application for cover, and subsequent poor communication around the details of the cancellation.

My final decision

It's my final decision that I uphold this complaint. I direct Advantage Insurance Company Limited to:

- Pay Miss D £250 for her distress and inconvenience.
- Pay Mrs D £250 for her distress and inconvenience.
- Write to Miss D and Mrs D and tell them they don't need to tell other insurers about this cancellation of their policy in future.

Advantage must pay the compensation within 28 days of the date on which we tell it Miss D and Mrs D accept my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D and Mrs D to accept or reject my decision before 5 December 2025.

Richard Sowden
Ombudsman