DRN-5747224

The complaint

Mr C complains Advantage Insurance Company Limited (Advantage) provided a poor level of service and caused delays to his claim after he reported an incident with his car. And that this unfairly increased the cost of his policy premiums when his policy was due to renew after the claim.

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

Mr C contacted Advantage by phone to report a non-fault accident after his car was hit by a third-party whilst it was parked and unattended. Advantage's advisor told Mr C he needed to complete the details of the incident on its online system, which he did as requested.

Mr C heard nothing from Advantage for more than two weeks so he contacted it again by email of which Advantage then called him. It apologised for the lack of contact regarding the claim and attempted to resolve Mr C's issues. It confirmed the policy excess would be waived. However when he contacted Advantage's approved repairer he was told he had to pay the policy excess.

Advantage accepted it hadn't provided Mr C with the service it should have. It apologised and paid him £75 compensation.

Because Mr C was not happy with Advantage, he brought the complaint to our service.

After the complaint was brought to our service Advantage reviewed the circumstances of the claim and increased its offer of compensation to a total of £150. This was rejected by Mr C.

Our investigator upheld the complaint. They looked into the case and agreed there had been a poor level of communication, but couldn't place fault on Advantage for the increase in Mr C's renewal premium. They explained that although the claim was notification only, an incident did occur. And regardless of whether an accident is fault or non-fault, the notification itself could indicate a potential increased risk from Advantage's perspective. This perceived risk could lead to an adjustment in premium cost at renewal. They felt Advantage's offer of £150 was fair in the circumstances and it was in line with what they would have suggested had Advantage not already made its offer.

As Mr C 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.

Claim process

In this case I saw a number of examples of poor service provided to Mr C after he made his claim. These included:

- Advantage's advisor incorrectly telling him he had to complete his claim online.
- Delay in progression of the claim from the date it was reported on 5 October 2024 until it contacted him on 24 October 2024 after he made a complaint by email.
- Failure to tell him it had waived his policy excess.
- Twice failing to call him back regarding cost of renewal premiums.

Advantage have accepted this was not the level of service that should've been given and made attempts to resolve matters. It said its advisor should have logged the claim when Mr C made the call. It said its agents are expected to make consumers aware claims can be done online, but shouldn't refuse to take the details. It confirmed it had addressed this with its advisor.

Advantage waived the policy excess on 7 October 2024 but failed to tell Mr C of this. It agreed it should have told him and also its authorised repairer. Advantage have confirmed to Mr C if he should wish for any repairs to be carried out to his car, the excess would not be payable.

I saw evidence that Advantage did pursue possible CCTV coverage of the incident in early November 2024, however it was confirmed cameras didn't capture the incident.

Advantage have accepted responsibility for the poor level of service and delay. It has apologised and offered Mr C a total of £150 compensation. I recognise the poor level of service caused stress and inconvenience to Mr C and that there was a short delay in the progression of his claim. However, although I recognise Mr C will be disappointed, I think £150 is a fair and reasonable offer in the circumstances and is in line with our services approach.

Policy renewal

It is important to understand we're not the industry regulator. That means I don't have the power to tell an insurer or broker how much it can charge for its policies. Neither is it my role to tell an insurer what factors it should take into account when assessing risk.

We cannot tell Advantage (or any insurer) what premium to charge individual policyholders. That's because the risk is Advantage's to take on so it will decide how to assess it and will price the policies it offers accordingly. Prices can go up or down, depending on what it thinks the risks are that year for all of its customers. Providing they treat people fairly, insurers and brokers are entitled to charge what they feel they need to in order to cover a risk. Advantage will take numerous different factors into account – these are likely to include, but are not limited to, the policyholder's postcode, the age of the drivers, the number of fault claims and non-fault claims etc.

In this case I saw Mr C's policy renewal documents were sent to him on 14 November 2024 and there was an increase in his premiums. I checked these documents and found the incident that took place in October 2024 was recorded as non-fault. And his no claim discount (NCD) had not been affected by the incident as this had increased from five to six years NCD.

I agree the price increase was high last year but I haven’t seen any evidence that the poor level of customer service provided by Advantage when Mr C made his claim had any effect on how his renewal premiums were calculated.

I saw Mr C’s renewal invitation was sent approximately two weeks before his policy was due to renew. It advised him he may be able to get the insurance cover he wanted at a better price if he shopped around. I saw Mr C found cover elsewhere and his policy with Advantage ended.

In this case I recognise there was quite a large increase in policy premiums, however, I have not seen any evidence Advantage have been unfair in its pricing or used any incorrect information to calculate the cost of his premiums. I won’t be asking Advantage to do anything further regarding Mr C’s policy renewal.

In summary, I uphold Mr C’s complaint about the poor level of service received.

Putting things right

I require Advantage to increase the total compensation to £150, less anything already paid.

My final decision

For the reasons I have given I uphold this complaint.

I require Advantage Insurance Company Limited to pay Mr C a total of £150 in compensation (Less anything already paid) for the poor level of service received..

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr C to accept or reject my decision before 8 September 2025.

Sally-Ann Harding
Ombudsman