

The complaint

Mr T complains Advantage Insurance Company Limited (Advantage) cancelled his motor insurance policy unfairly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them here. Instead, I will focus on the reasons for my 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.

Mr T took out a motor insurance policy with Advantage in February 2025. Advantage asked Mr T to provide some information as part of its validation checks. I find this was fair and reasonable, as an insurer is entitled to ask for information to verify the details provided as part of the application process.

There were some issues with the validation checks – namely, Mr T's proof of address. This led to the policy cancellation in April 2025. In June 2025, Advantage said it shouldn't have cancelled the policy because Mr T had provided proof of address. It said it would reinstate the policy and pay Mr T £300 to put things right. Mr T didn't accept this as a resolution.

As Advantage has accepted it shouldn't have cancelled the policy and has offered to put things right, I must decide fair redress, being mindful any alleged loss on the part of Mr T must be real, wholly or predominantly the result of Advantage's mistake, couldn't reasonably have been avoided, and was reasonably foreseeable to Advantage.

Having the policy cancelled and then being without a car for a time because of an inability to get alternative car insurance due to the cancellation record, would have caused Mr T distress and inconvenience. The Investigator thought, on the evidence available to her, £375 compensation was fair in all the circumstances. Advantage accepted this recommendation.

Mr T has said, in summary, he was unable to develop his career and has been forced into poverty, this meant poor medical care and intractable disability, the lack of car insurance meant he was housebound/imprisoned which had an enormous impact on his social life, family life, and Advantage's actions have caused a dramatic decline in his health.

Mr T has made clear he doesn't consider £375 to be enough. He has referred to £429,000 to £375 million as going some way to heal the damage done. But his explanation for this is positioned as a penalty (which our Service can't impose). And such a sum is simply unrealistic given the matter at hand and the timeframe involved.

By way of evidence of the impact, Mr T has provided a letter from the DWP dated before the policy cancellation, a series of high value online order screenshots (for example, a £25,000

hydro-therapy pool, a £16,650 jewellery cutting machine, and a £9,000 home gym) and a charity trust membership. None of this supports the impact Mr T says he experienced.

While I sympathise with what happened regarding to Mr T's car insurance policy, on the evidence available to me, and the absence of compelling evidence from Mr T regarding the alleged impact, I'm satisfied £375 compensation is fair and reasonable. It follows I'm not requiring Advantage to pay him more than this.

Advantage offered to reinstate the policy, which Mr T declined. I find that was a fair and reasonable offer at the time it was made. As I understand it, Mr T hasn't taken out a car insurance policy elsewhere and the offer is still available should Mr T choose on reflection to accept it. Advantage should also ensure there is no record of the cancellation on internal or external records.

My final decision

I uphold the complaint and require Advantage Insurance Company Limited to:

- pay Mr T £375 compensation;
- reinstate the policy if Mr T wants it to; and
- remove any record of the cancellation from internal and external records.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 28 October 2025.

Yoni Smith
Ombudsman