

The complaint

Ms N complained about Advantage Insurance Company Limited's ("Advantage") handling of a claim made by a third-party following an accident, under her motor insurance policy.

What happened

Ms N was involved in a collision when driving on 25 April 2024. The other driver was her neighbour. Ms N said no-one was injured so they didn't call the police. She said she contacted Advantage and was told she must report the incident over the phone. Ms N said she preferred to do this online. The business sent her a link via email to allow this. But it didn't work. This happened more than once. Ms N said she eventually agreed to report the incident over the phone.

Ms N was told by Advantage it would record this as an incident only, as she didn't want to claim for the damage to her car. She said she was referred to the legal team. But this took too long so she advised she would call back some other time.

In May 2024 Ms N was told the third-party was claiming against her policy and further information was requested from her. She said she chased for updates regularly. But was told the third-party's lawyers weren't responding. This continued to the end of the year. Ms N said she received her renewal documents in January 2025, which showed her new premium, to begin in March, had doubled.

Ms N said she asked Advantage if there was a way to speed up this process. She was told its process was to allow 18 months for evidence to be submitted. Ms N said she continued to chase progress and was told her case handler was due to review the matter. But no actual progress was made. She said this claim has impacted on her relationship with her neighbour and that she doesn't think any injuries were sustained in the accident. As she wasn't satisfied with its handling of the matter she complained to Advantage.

In its complaint response Advantage said it was waiting for the third-party's lawyers to respond in relation to the injury claim that had been made. It said it is their responsibility to provide evidence to support the claim. The business said that as it had incurred no costs, the third-party had no obligation to respond to its allegations. It explained that it would continue to review the claim and provide an update to Ms N.

Advantage explained Ms N had to call to register a claim as per its policy terms and conditions. But it apologised that its link hadn't worked and offered Ms N £50 compensation.

Ms N didn't think Advantage had treated her fairly and referred the matter to our service. Advantage then offered to increase its compensation offer to £300 in total. This was because it had told Ms N it would wait for 12 months of inactivity before it closed the claim - but later told her this was 18 months. Our investigator thought this offer was fair. She said the business had explained why the claim remained open and why it was limited in what it could do to expedite the process.

Ms N didn't accept our investigator's findings. She said the business still hadn't provided an

update. As she remained dissatisfied she asked for an ombudsman to consider her complaint.

It has been passed to me to decide.

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.

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Having done so I'm upholding Ms N's complaint but I think Advantage's offer of £300 compensation is fair to put things right. I'm sorry to disappoint her but I'll explain why I think my decision is fair.

For clarity I'm only able to consider Ms N's complaint up to the date of Advantage's final complaint response. The dispute resolution or DISP rules set by the Financial Conduct Authority (FCA) determine what we can consider. I have to apply these rules, which means I can't consider the issues Ms N raised after 26 August 2025.

The crux of Ms N's complaint is that a claim has remained open against her policy for a considerable period. This has contributed to a deterioration in her relationship with her neighbour and increased her insurance premiums.

Ms N's policy terms explain that she is required to inform Advantage about any accident she is involved in. This is regardless of whether she decides to make a claim against her policy or not. So, it was correct that she reported the incident. Ms N decided not to make a claim. From what I've read it's not clear if she paid for any repairs herself. But this wasn't paid for by Advantage. As Advantage didn't incur any costs there was nothing for the business to dispute with the third-party.

When the third-party informed Advantage in May 2025 that a claim was being made against Ms N's policy, the records show it asked for supporting evidence. The records also show that the business asked Ms N for further information to help it to dispute liability. Her policy terms require her to cooperate fully with Advantage so as not to compromise the resolution. So, I don't think it acted unreasonably when asking for information.

The records show that the third-party did engage with Advantage. However, this was sporadic. The claim records show that Advantage was monitoring the provision of information from the third-party's solicitor. But again, from the records, information took a long time to be provided. I can see that Advantage continued to dispute liability once information was received. It requested evidence to support the allegation that Ms N was negligent and had caused the accident. I think this shows it acted appropriately.

The claim records refer to Advantage's internal process to keep a claim open for 18 months. This is in the event of no contact from the third party or their solicitor. In its submissions to our service the business refers to a three-year period in which a claim must be made relating to bodily injuries. I understand that this comes from the Limitations Act 1980, which sets out the timeframes in which a claim must be instigated. We're not a regulator so it's not our role to determine the processes Advantage has in place. But it's correct that the third-party has up to three years in which to make a personal injury claim. Advantage is aware of the intention to claim against Ms N's policy. This is why there is an open claim. Although I acknowledge this is progressing slowly because of the third-party and their solicitor's response times.

I understand that this situation is causing Ms N distress and inconvenience, as well as impacting on the cost of her insurance. This must be upsetting for her. However, from what I've read Advantage has progressed the claim as it's expected to. As it explained to Ms N, it has no way in which to force the third-party or their solicitor to respond more quickly. So, all it can do is to request the required information, monitor the claim and provide updates. I appreciate this is not an ideal situation and I'm sorry for the impact this has had on Ms N. But I can't instruct Advantage to do anything more here.

I acknowledge Ms N's concerns that Advantage is the insurer for both her and the third-party. However, it has explained that the claim handlers don't have access to the other sides information. The process behaves as though the insurers were actually separate. That said this doesn't alter the fact that it is the third-party and their solicitor that are the cause of the delay.

I've thought about the standard of service Advantage provided throughout the claim period, up to August 2025. I note what it says about Ms N providing claim information over the phone as this aligns with her policy terms. But the policy also provides an option to do this online. I think it's reasonable that an email was sent to Ms N with a link to allow this. But because it didn't work this was frustrating for her and caused her some inconvenience.

The business acknowledged that it gave inaccurate information about its process and how long the claim could remain open. It's fair that it offered compensation to put this right. But I think £300 is fair so I won't ask it to pay more.

I've thought about Ms N's concerns with the increase in her premium. I asked Advantage to provide its underwriting information to show that it treated her fairly when calculating this. It responded with a breakdown of its calculations. This information is considered commercially sensitive so I can't share it. But what it shows is that Advantage used its established underwriting criteria to calculate Ms N's premium. The key factors in the premium increase relate to the claim and a change in occupation status. Based on this evidence Ms N wasn't treated differently to how any other customer would be with these same circumstances. The business also confirmed that having reviewed its calculations there were no errors.

Having considered all of this I don't think Advantage treated Ms N unfairly in how it handled her claim, or in the renewal premium it offered her. Inaccurate information was given regarding the timeframe the claim would remain open. But I'm satisfied the compensation Advantage paid was sufficient to put this right. So, I can't reasonably ask it to do anymore.

My final decision

My final decision is that I uphold this complaint. Advantage Insurance Company Limited should:

- pay Ms N a total of £300 compensation if it hasn't already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 1 January 2026.

Mike Waldron
Ombudsman