

The complaint

Mr B complains Advantage Insurance Company Limited (Advantage) caused delays when he made a claim on his motor insurance policy.

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.

There are several parties and representatives of Advantage involved throughout the complaint but for the purposes of this complaint I'm only going to refer to Advantage.

What happened

Mr B was involved in an incident in which his car was damaged and he reported this to Advantage. After several assessments to determine the extent of the damage to his car, it was deemed a total loss.

Because the car was less than a year old, Mr B was eligible for a like for like replacement of his car. A cash settlement offer was also made which he rejected.

The new car was ordered in August but it didn't arrive until February 2025.

Advantage accepted there were delays in the car being delivered, although it didn't accept it had caused them. It agreed communication could have been better throughout the claims process. It apologised and offered £300 in compensation as an apology.

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

Our investigator didn't uphold the complaint. They looked into the case and said the delay in the vehicle being delivered was as a result of manufacturer delays and was outside of Advantage's control and its offer of £300 to apologise for the lack of updates was fair. They said Mr B wasn't entitled to a hire car whilst he was waiting for the replacement car as this wasn't part of his policy. And explained his finance agreement is between himself and the finance company and it would be unfair to ask Advantage to reimburse these payments to him.

As Mr B 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.

I looked at the terms and conditions of the policy and it says;
"New car replacement

If your car is less than one year old and you are the first and only registered owner (or prospective owner under a hire purchase or lease purchase contract), your insurer will replace it with one of the same make and model if either of the following applies:

- It's been stolen and not found.*
- It's suffered damage covered by the policy, and your insurer estimates that the cost of repairing it will be more than 60% of the current United Kingdom list price (including taxes).*

Your insurer can only do this if a replacement car is in current production, its available in the UK and anyone else who has an interest in your car agrees.

If a suitable replacement car isn't available, your insurer will either:

- Pay you the price you paid for your car (including any optional extras fitted by the manufacturer when new), including taxes at the time of loss; or*
- Pay you the manufacturers latest list price (including taxes)."*

Advantage said because Mr B's damaged car was less than one year old and the cost of repairs exceeded 60% of the manufacturers list price he was entitled to a new car replacement, and in July 2024 passed him on to its approved partner who manage the process to obtain a replacement car.

I saw evidence of contact between Mr B and Advantage's partner in which the specification and lead time of the car was discussed. Mr B said when he was made aware of a 16 weeks lead time he asked for a cash settlement for the car so he could buy a new car himself. Advantage made him a cash settlement offer of £32,000, rather than him wait for the replacement. Mr B said this was significantly below the market value of the car and he rejected this.

I saw evidence of Advantage's partner looking to secure the car from alternative suppliers, in an attempt to obtain the new car sooner, but this was not possible. In mid-July 2024 Mr B confirmed he would like to proceed with the new car order. The supplier said the car should arrive around October 2024. The specification of the new car was finalised, and then authorised by Advantage. During this process Mr B asked a number of times for a reviewed cash settlement offer. In mid-August 2024 the car manufacturer gave an updated lead time of November/December 2024.

The order of the replacement car progressed, and updates were requested from the supplier on a monthly basis between September 2024 and December 2024. This was not provided. In December 2024 the supplier said the car was still in transit and the estimated arrival was now due to be the end of January 2025. I saw in January 2025 Advantage chased the supplier for a delivery date on almost a daily basis.

After sorting out some administration issues with Mr B regarding insurance and the registered keeper of the new car it was delivered to him on 12 February 2025.

The replacement car terms and conditions say;

"Delivery

When We provide you with an Order Confirmation, we will provide an estimated delivery date. Please note that estimated delivery dates may vary according to the availability of the vehicle, your location, and circumstances beyond our control."

I have found the delay in the supply of the new car was out of the control of Advantage and I am unable to fairly hold it responsible for this.

Mr B said Advantage ignored his requests for a reviewed market valuation for his car and initiated the car replacement process without his consent. Mr B was given a new car

replacement as per the policy terms, and the terms only state a cash option is offered if there is no suitable replacement. In this case there was a suitable replacement, however Mr B had to wait for it to be built. The terms of the policy don't allow for Mr B to choose an option; it is up to Advantage how they deal with it. And based on the terms, it has dealt with it how it should have.

Mr B had finance on the car and he thinks Advantage should reimburse him the monthly payments he paid to the finance provider during the wait for the replacement car. However, any agreement is between Mr B and the finance provider and is separate to the motor insurance cover provided. I am unable to tell Advantage to reimburse the payments made whilst he was waiting.

I recognise the delay in the supplier obtaining a new car from the manufacturer meant Mr B was without a car and this led to inconvenience during the wait time. I saw the optional substitute vehicle cover which covers the cost of a hire car wasn't added to his policy. And courtesy cars are provided by the repairing garage, not Advantage, and because his car was written off a repairer wasn't assigned. So I am unable to say Advantage have been unfair here.

Advantage have acknowledged that there was a significant delay and offered Mr B £300 compensation. I think this is a fair and reasonable award bearing in mind the delay was largely out of its control. And it's in line with our Service's guidance.

Therefore, although I understand Mr B will be disappointed and I recognise he had a period of time without a car which will have caused him inconvenience, I don't uphold this complaint, and I don't require Advantage to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 December 2025.

Sally-Ann Harding
Ombudsman