

## **The complaint**

Mr G complains that Advantage Insurance Company Limited (Advantage) declined a claim made under his motorcycle insurance policy.

## **What happened**

Mr G has a motorcycle insurance policy underwritten by Advantage. In August 2024, after filling the insured bike with fuel, getting back on to the bike and preparing to set off, the bike fell causing Mr G significant injuries.

There was minor damage to the bike itself, so Mr G didn't claim for any damage to it. However, his policy outlined he had Helmet and leather insurance, and as these items were damaged during the incident, he made a claim for these.

The claim administrator for the Helmet and leather insurance declined the claim. Mr G complained to Advantage, but they maintained the claim decision was correct and said exclusions applied and what happened wasn't covered under their policy terms so they wouldn't be paying the claim.

As Mr G remained unhappy, he approached the Financial Ombudsman Service.

One of our investigators looked into things and upheld the complaint. He said Advantage had unfairly declined the claim by relying on the exclusions they had. So, he recommended Advantage pay the claim with 8% interest payable. He also said Advantage should pay Mr G £100 compensation.

As an agreement wasn't reached, the case was passed to me for a final decision.

I was minded to reach a different outcome to our investigator, so I issued a provisional decision to give both parties the opportunity to comment on my initial findings before I reached my final decision.

## What I provisionally decided – and why

In my provisional decision, I said:

*“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.*

*I’ve reached a different outcome to our investigator, so I’m issuing a provisional decision to give both parties an opportunity to comment on my initial findings before I reach my final decision.*

*Having considered everything, I think Advantage has made a significant error here in assessing and declining Mr G’s claim, but for different reasons to our investigator. I’ll explain why.*

*Advantage is the insurer of Mr G’s motorbike, so any claim for damage to the bike itself would be for Advantage to consider, and accept or reject against the terms of the policy. And Mr G does have Helmet and leather insurance cover under his policy too, which is what he is claiming for following the incident.*

*However, the Helmet and leather insurance is an add-on to the main motorcycle policy cover. And although Advantage is the underwriter of the motorcycle insurance itself, they aren’t the underwriter of the Helmet and leather insurance cover.*

*Instead, the policy terms confirm:*

*“We/us/our/insurer  
Lloyd’s Syndicate 4444 managed by Canopus Managing Agents Limited.”*

*Lloyd’s Syndicate 4444 managed by Canopus Managing Agents Limited (I’ll refer to them as Canopus for simplicity) are a completely different insurer to Advantage. And whilst Advantage is responsible for reaching a decision to accept or reject a claim for any damage to the insured motorcycle, Canopus, the insurer of the Helmet and leather insurance, is responsible for any claim, and claim decision, relating to that part of the policy. So, whilst Advantage considered the claim for the helmet and leathers and declined it relying on exclusions under that section of the policy, it wasn’t actually their decision to make, or their decision to agree or disagree with the administrator appointed by Canopus to review claims on their behalf.*

*When our investigator issued his assessment saying the claim had been unfairly declined by Advantage and recommended they deal with the claim, Advantage recognised at that point that the claim wasn’t actually their responsibility to accept, decline or respond to. I find it surprising that it wasn’t until that late stage that Advantage realised that the claim wasn’t theirs to assess or decide.*

*Advantage also shouldn’t have considered a complaint about the claim decision reached by the claim administrator acting on behalf of Canopus. Instead, the policy confirms that if the policyholder is unhappy with the decision reached by the claim administrator appointed by Canopus, then they should contact Lloyd’s. Therefore, when Mr G complained about the claim decision given by the administrator on Canopus’ behalf, Advantage should have directed Mr G, or passed on the complaint, to Lloyd’s for them to then assess the administrator’s decision and to reach their final position on it. But instead, Advantage did that itself in error when they shouldn’t have.*

*What this all means though is that I can't consider whether Advantage has reasonably applied the term to decline the claim, or by contrast that they should accept and deal with the claim by not relying on the exclusions (which is what the investigator recommended), when it isn't cover they provide or underwrite.*

*Instead, Mr G will now need to contact Canopus/Lloyd's about the claim decline decision reached by the administrator acting on Canopus' behalf. And if ultimately Canopus/Lloyd's maintains the claim decline decision, including if they relied on the same exclusions that Advantage did, then Mr G could raise a new complaint about that.*

*However, it's clear that Advantage's errors here in considering and declining a claim they shouldn't have caused Mr G inconvenience, and delays in having a claim considered under his policy by the correct insurer for that part of the cover. And he's needed to come all the way to this service in order for Advantage to realise their error at a very late stage, effectively putting Mr G back to square one in having his helmet and leather claim assessed by the correct insurer.*

*So, unless anything changes as a result of the responses to my provisional decision, I'll be directing Advantage to pay Mr G £200 compensation for the inconvenience caused as a result of their poor service, incorrect advice and error."*

Therefore, I was minded to uphold the complaint and to direct Advantage to pay Mr G £200 compensation.

### **The responses to my provisional decision**

Mr G responded and said he accepted the provisional decision and would be contacting Canopus to pursue his claim further.

Advantage responded to the provisional decision, but they didn't agree. They said the claim was declined by the administrator of the Helmet and leather insurance cover rather than them. They also said Mr G's correspondence showed that he was dealing with the cover provider when the claim was declined. Advantage said they mishandled the complaint by addressing it rather than redirecting it, but they also said complaint handling is outside the jurisdiction of this service.

### **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.

Having done so, my final decision remains the same as my provisional decision.

I agree that the claim was *initially* declined by the administrator acting on behalf of Canopus (the insurer of the Helmet and leather insurance cover add-on attached to the motorbike policy). Mr G then complained to Advantage, who is the insurer of the motorbike itself, about his Helmet and leather insurance cover claim being declined. This was around four months after the claim was initially declined by the administrator on behalf of Canopus.

Advantage provided a call recording where they'd checked what had happened with the claim with the administrator. After that, Advantage then issued a final response, in which they said:

*"After reviewing everything, I've found that your claim is not valid based on our policy terms and conditions. Unfortunately, we can't settle your claim."*

Advantage also said in their submission to this service (my emphasis added):

*"We understand Mr G was unhappy we declined their claim and would like their claim paid in full."*

And:

*"Whilst we understand and empathise with the frustration this incident and its outcome have caused Mr G, I am satisfied that we have handled the claim appropriately and in accordance with the terms of our policy."*

Therefore, this shows that Advantage hadn't simply said the administrator acting on behalf of Canopus (the insurer of the Helmet and leather insurance cover add-on) had declined the claim, and it wasn't anything to do with them. Instead, Advantage said that they'd reviewed the claim, and they couldn't settle it on the basis it wasn't covered under their terms and conditions – and at that point Advantage hadn't realised they weren't the insurer – and also hadn't when the case came to this service either.

Therefore, Advantage was considering a claim against the policy terms and delivering a claim decline decision - which they shouldn't of but still did as insurer of the overall motorbike policy, when they should have simply referred matters to Canopus to consider the administrators claim decision further instead.

So, whilst complaints solely about complaint handling in isolation isn't something that falls within the jurisdiction of this service as mentioned by Advantage in response to the provisional decision, in this case Advantage was assessing and issuing a claim decision – albeit for a part of a policy they don't underwrite, and Mr G's complaint was about the claim decision, not solely about complaint handling. And here, there was also poor service and failure in administration, advice and guidance by Advantage, when they failed to tell Mr G who the underwriter of the Helmet and leather insurance cover was and failing to direct Mr G to Canopus. So, on both counts, this isn't a complaint solely about complaint handling in isolation, or outside our jurisdiction.

My view remains as outlined in my provisional decision, that Advantage's errors in considering and declining a claim they shouldn't have, and not directing Mr G to Canopus, have caused Mr G inconvenience, and delays in having a claim considered under his policy by the correct insurer for that part of the cover. He's then needed to come all the way to this service in order for Advantage to realise their error at a very late stage, effectively putting Mr G back to square one in having his helmet and leather claim assessed by the correct insurer. And I'll be directing Advantage to pay Mr G £200 for the additional distress and inconvenience they've caused.

### **My final decision**

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

- Pay Mr G £200 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 9 December 2025.

Callum Milne  
**Ombudsman**