

The complaint

Miss F complains Advantage Insurance Company Limited (Advantage) provided a poor level of service and made a number of mistakes which caused delays after she made a claim on her 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.

What happened

Miss F contacted Advantage on 1 March 2025 and reported the theft of her car keys. She didn't know how they had been stolen but found them to be missing from her property. Her car had moved slightly and there were scratches to the car and damage to the front bumper.

On 19 March 2025 Advantage provided her with three options. These were to settle the claim as a total loss, obtain an independent repair quote for the damage and replacement keys or to close the claim and handle it herself. When Miss F asked if she could claim only for the stolen keys and not the damage to the car she was told it wasn't possible, then at a later date was told it was.

The car was inspected and due to the estimated cost of the repairs Advantage found it to be a total loss. As per the terms of the policy the courtesy car that had been provided was taken back. In early May 2025 Advantage said the car was repairable. Another courtesy car was then provided.

Advantage accepted there were issues with the advice Miss F received during the claims process. It offered £200 compensation for the stress and inconvenience caused.

Because Miss F was not happy with Advantage, she brought the complaint to our service.

After the complaint was brought to our service Advantage made an additional offer of a further £250 compensation (total of £450). It said this was to take into account delays in processing the claim, the time and effort made by Miss F and the distress caused when her policy was incorrectly cancelled and incorrect payment requests. It also confirmed it had paid £164.75 for travel expenses incurred by Miss F.

Our investigator upheld the complaint. They looked into the case and said it should pay a further £500 compensation, a total of £700.

As Advantage is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

What I provisionally said

Advantage have acknowledged it provided a poor level of service to Miss F and it made mistakes in processing her claim. It doesn't contest she was impacted by this and has made an offer of redress. The issue in this case is around the level of compensation and if this is a fair and reasonable offer.

I looked at the avoidable issues in this case. I found these to be;

- *Different claim advice from different Advantage agents around what could be claimed for.*
- *Telling Miss F her car was a total loss, and then after further assessments were undertaken it decided it was repairable.*
- *Leaving her without transport for a period of time when the courtesy car provided when she made the claim was taken back, when Advantage deemed her car a total loss.*
- *Incorrectly cancelling her policy due to a black box data submission issue.*
- *Poor levels of communication when it failed to call her back as agreed.*
- *Delays in processing her claim, including three weeks taken for an assessment of the car to take place and a month delay in requesting key claim information from her.*

Miss F said Advantage took almost £400 from her bank account at the point it cancelled her policy in error, and she had to contact her bank to get this back. The policy was cancelled and then reinstated on the same day after Miss F made contact with it. Advantage recognised its error. It confirmed the request for payment of the remaining policy balance was recalled on the same day, before any attempt to collect payment had been made. I've not seen any evidence of any payment being taken from Miss F's bank by Advantage, therefore although I recognise this will have been a concern to her, there was no financial impact.

I acknowledge having the use of a car is quite important to Miss F, due to an ongoing chronic condition, and she started to look for a replacement car when she was told her car was a total loss. She was affected financially because she had to pay for taxis and public transport when she was without the use of a courtesy car during the period of time Advantage had said her car was a total loss. I saw that Advantage refunded costs of £164.75 to her after receiving evidence of the travel expenses incurred.

I recognise Miss F has some pre-existing health issues and was also dealing with a bereavement at a similar period of time as her claim. I don't doubt that the theft of her car keys and then making the claim to Advantage will have been stressful in itself, for her. And the poor level of service received from Advantage will have added to this stress.

I am sorry Advantage's poor service had a negative impact on Miss F. I think £450 compensation plus travel expenses be a fair and reasonable offer in the circumstances of this case.

Therefore, I intend to uphold Miss F's complaint and intend Advantage to increase its offer of compensation by £250, making a total of £450 for the distress, inconvenience and delays caused by the poor level of service received in this case.

Responses to my provisional decision

Miss F responded and reiterated she had been caused both financial and practical hardship given her long term health conditions. She added she was unhappy with the travel reimbursement made to her from Advantage. She also provided additional evidence by way of a transcript of an online chat between her and her bank that showed she organised for a direct debit requested by Advantage to be reversed.

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.

In response to Miss F's comments

I have already considered Miss F's health situation in my provisional outcome. No new information has been provided in relation to this. I am unable to consider her complaint point about the amount of travel payment made to her because this is an additional complaint point. Miss F will need to submit this to Advantage as a new complaint, should she wish, and if unhappy with the outcome, she may then bring it to our Service as a separate complaint.

After consideration of the further evidence provided regarding the direct debit being taken from her account, I think the compensation amount should be increased by a further £50 to £300. This is because Advantage did make an attempt to collect payment from her bank account, which is in conflict with it saying it didn't make any attempt.

The additional evidence was provided to Advantage, as was my intention to increase compensation by £50. It responded and said there was no evidence on its system that the direct debit transaction ever left Miss F's account. It said the evidence provided by her didn't demonstrate funds were ever withdrawn. It said it would accept the further £50 if direct evidence from her bank was provided that showed her balance was reduced by £386.

Miss F supplied further evidence to our Service by way of a copy of her bank statement that showed an amount of £386.11 was taken from her account by Advantage on 1 May 2025 and reversed the same day.

Based on the evidence I've reviewed; I am persuaded that if Miss F hadn't organised the reversal of the direct debit with her bank on the same day, this would've impacted her account balance. I maintain my provisional decision to uphold her complaint, and now further require Advantage to compensate her for incorrectly attempting to collect payment.

Putting things right

I require Advantage to increase its offer of compensation by £300, making a total of £500 for the distress, inconvenience and delays caused by the poor level of service received in this case.

My final decision

I uphold Miss F's complaint and I require Advantage Insurance Company Limited to increase its offer of compensation by £300, making a total of £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 12 December 2025.

Sally-Ann Harding
Ombudsman