

## **The complaint**

Mr L complains that Advantage Insurance Company Limited (Advantage) unfairly increased his motor insurance policy premium two months into his cover.

## **What happened**

I looked at this case and provided my initial thoughts in my provisional decision as follows;

*The circumstances of this case are well known to both parties, but in summary Mr L purchased a motor insurance policy, underwritten by Advantage, through a comparison site in January 2025. During application, Mr L was asked about his motoring convictions and so declared penalty points that were still in effect at that time.*

*Advantage contacted Mr L in March 2025 as it was completing validation checks on the policy and requested Mr L's Driving Licence number. On receipt, Advantage found Mr L had another motoring conviction that hadn't been declared. So, it informed him his premium would be increasing, and if he didn't agree with the increase, he could ask for a wholly new quote or arrange a cancellation.*

*Unhappy with the increase, Mr L complained to Advantage and said he answered all questions correctly and honestly. He also said Advantage should have validated the policy sooner. Advantage didn't uphold the complaint and said that it was satisfied it had acted fairly.*

*Mr L referred his complaint to this Service. Our Investigator upheld the complaint in part. They agreed the information provided by Mr L during application wasn't complete, but they didn't think Advantage had acted fairly when adjusting the policy as it didn't set out all the possible options available under the relevant laws. So, they thought Mr L was unable to make an informed choice and recommended it award Mr L £100 due to this.*

*Advantage didn't agree with our Investigator and asked for a final decision. In summary, they said they acted in line with the relevant laws and provided Mr L with all the options that wouldn't leave him to any detriment. So, the case has been passed to me to decide.*

## **What I've provisionally 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 recognise I have summarised Mr L's complaint in less detail than presented, but I'd like to assure both parties that I have reviewed all submissions in full when deciding this case. My decision won't comment on each point raised or each piece of evidence provided but will instead comment on the issues I consider to be key to the case. This isn't intended as a discourtesy but reflects the informal nature of this Service – and the rules this Service must adhere to enable me to do this.*

*Having reviewed all available evidence, I intend to uphold the complaint in part, but for*

*different reasons to that of our Investigator. I'll explain why.*

*I should first explain that Advantage is entitled to carry out validation checks against the policy at any time. So, while I understand why Mr L feels Advantage completed these later than it should, I don't find its decision to validate the policy when it did to be unfair or unreasonable. The validation checks are ultimately for a policyholder's benefit as it ensures that a policy is set up correctly and provides complete coverage, and a policyholder is fully insured. As Advantage identified a discrepancy in the application, I have gone on to consider whether it has handled this fairly.*

*The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer.*

*And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is – what CIDRA describes as – a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer must show it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation.*

*CIDRA sets out several considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.*

*Advantage thinks Mr L failed to take reasonable care not to make a misrepresentation when he applied for the policy through a comparison site as he failed to declare all his relevant motoring convictions.*

*I've looked at the question asked on the comparison site, as well as the welcome pack provided to Mr L following the policy application. Having done so, I can see Mr L was asked about 'Convictions'. Mr L said this question wasn't clear. But there was additional supporting guidance titled "Need help?" which stated –*

*"Please tell us about any convictions, fixed penalty points or disqualifications within the last five years?"*

*Mr L has explained that he didn't click the "Need Help?" link because as far as he was concerned, he didn't require any help.*

*The question asked was put to Mr L by the comparison website on behalf of a broker. However, from the information available to me, the broker is acting wholly on Advantage's behalf as it only arranges motor insurance with Advantage. So, Advantage is responsible for the actions of the broker. And it follows that Advantage would have been aware of the content of the questions and has its own obligations to ensure that any question put to a potential customer is sufficiently clear.*

*I agree that the question and supporting information listed on the comparison website could have been clearer and may have caused confusion. I understand why Mr L was disappointed to learn that the question was about all convictions in the last five years, regardless of whether they were spent or not. So, I think it would be reasonable for Advantage to award compensation in recognition of the distress and inconvenience caused and that it could have been clearer in the way it put the question to Mr L.*

*But I've also considered that Mr L was provided with a copy of the policy welcome pack, which included his statement of insurance. This detailed all the questions asked by*

*Advantage during its application and explained that Mr L had a duty to check everything was correct, and if any of the details weren't right, then he should contact Advantage straight away to correct this. This document specified that all motoring convictions, fixed penalty points or disqualifications within the last five years needed to be disclosed.*

*Mr L has confirmed that he did receive this document but didn't read it in full and scanned it instead as he wasn't looking for any new questions. I recognise why Mr L did this, but the purpose of this document is to ensure that all parties understand the basis on which cover was agreed and make any necessary changes to ensure that there is complete coverage.*

*So, on balance, I think Advantage provided Mr L with enough information to understand what was required from him and so I don't find it unreasonable for Advantage to conclude that Mr L failed to take reasonable care.*

*Advantage has provided its system generated underwriting. This shows the price for the policy would have been around £890 instead of the original premium of around £640 had it known about the second motoring conviction. So, I'm satisfied Mr L's misrepresentation was a qualifying one as it materially impacted the policy premium.*

*Advantage said Mr L's misrepresentation was careless rather than deliberate or reckless. I agree that Mr L's misrepresentation was careless, as I haven't seen anything to suggest Mr L had any intentions to mislead Advantage.*

*As I agree Mr L's misrepresentation should be treated as careless, I've looked at the actions Advantage can take in accordance with CIDRA. This says Advantage can either ask Mr L to increase his premium or let him cancel the policy.*

*Advantage has provided a copy of a letter it sent to Mr L in March 2025 to demonstrate it did this. Mr L didn't call to cancel the policy or take out alternative cover and instead left the cover in place.*

*But if a consumer doesn't wish to do pay the increased premium or cancel the policy, the insurer can either cancel the policy or provide cover on a proportionate basis.*

*Advantage has said it doesn't offer cover on a proportionate basis as this could lead its policyholders to experience significant detriment in the event of a claim – as the policyholder wouldn't be fully covered for any of their, or third party losses and would be responsible for significant costs following a collision. This is within the scope of Advantage's commercial discretion, but I agree this is a reasonable position to ensure its policyholders are fully protected.*

*So, I am satisfied that Advantage acted fairly and reasonably with respect to Mr L's qualifying misrepresentation and offered Mr L options which were consistent with CIDRA. And so, I won't be asking it to take any further action with respect to the misrepresentation or Mr L's insurance policy.*

*But I think Advantage could have been clearer in the way it asked Mr L about his motoring convictions. And so, I intend to ask Advantage to award Mr L £100 in recognition of the confusion and inconvenience it caused.*

## **Replies**

Both sides responded before the deadline set. Advantage said it agreed with the position outlined while Mr L noted the contents of the provisional decision but wanted to highlight that the price of the policy increased from £890 to approximately £1,300.

### **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.

As Mr L appears, in the main, to agree with the position outlined and Advantage has agreed in full, I don't propose to go over the specifics of the complaint again.

I thank Mr L for the clarification surrounding the premium he was originally charged and what the premium increased to following the amendment to the policy. I have reviewed the policy paperwork and the figures provided by Mr L are reflected in the documentation. However, this doesn't change things here as ultimately, I find that Advantage carried out the principles of CIDRA in a fair and reasonable way.

However, I remain of the view that Advantage could have been clearer in the way it asked Mr L about his motoring convictions, and I haven't been provided with anything that changes things here. So, I am directing Advantage to award £100 in recognition of the confusion and inconvenience it caused.

### **My final decision**

It follows, for the reasons given above, that I uphold this complaint and I require Advantage Insurance Company Limited to award Mr L £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 January 2026.

Oliver Collins  
**Ombudsman**