

## **The complaint**

Ms W complains about the way Advantage Insurance Company Limited ('Advantage') handled a claim she made under her motor insurance policy as well as the liability decision they reached.

## **What happened**

Ms W was involved in a car accident involving a third-party vehicle. She contacted Advantage to report the claim, and they asked her for the accident circumstances. Ms W said she was moving through a set of amber traffic lights to clear a junction to turn right when the other driver collided with her vehicle which she believed had gone through a red light. Advantage initially proposed to settle the claim on a fault basis against Ms W. But they said they later decided to settle the claim on a 50/50 basis once all of the available evidence was received. Advantage said they assessed the road layout, the damage to both cars, and the testimony provided by a third-party, and concluded it was likely a 50/50 split, partly on the basis both vehicles were entering amber traffic lights prior to the collision. Advantage settled the claim after deducting Ms W's policy excess.

Ms W raised a complaint about how Advantage had handled the claim, including their liability decision, how they'd settle her total loss payment, and their overall communication. Advantage considered the complaint and ultimately agreed their service had fallen short and awarded £300 compensation. But Ms W remained unhappy with how Advantage had handled things – so, she brought the complaint to this Service. She maintained Advantage's liability decision was incorrect and unfair and said the third-party driver had proceeded through an amber traffic light when it was unsafe to do so.

An Investigator looked at what had happened but was ultimately satisfied Advantage had handled the liability aspect of the claim fairly and reasonably. And in relation to the other issues Ms W had experienced, the Investigator felt Advantage's compensation offer was enough to put things right.

Ms W didn't agree with the Investigator's conclusions and asked for an Ombudsman to consider the complaint – so, it's 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.

I'd like to start by reassuring both parties that while I've not set out the background to this complaint in full, so not everything that's happened or been argued is set out above; I've read and considered everything that has been provided. This isn't meant as a discourtesy – but instead reflects the informal nature of this Service. So, while I may not comment on each and every point made, or piece of evidence provided, I have taken it all into account when deciding what I consider to be fair and reasonable.

Additionally, while Ms W's complaint contained a number of points the Investigator addressed in their view, Ms W's request for a final decision by an Ombudsman focuses on the liability decision and handling of the claim. This means I will only be addressing those points as part of my final decision. But for the avoidance of doubt, I've considered the reasoning behind the other complaint points raised and I'm satisfied the Investigator has addressed these in a way that produces a fair and reasonable outcome to them. I also need to make it clear that, as the Investigator has already set out, I can only consider what happened up until the date of Advantage's final response to the complaint when deciding whether Advantage acted fairly and reasonably, based on the evidence available at the time.

### Advantage's liability decision

I should first explain that it isn't this Service's role to say who's at fault for causing an accident. That's a matter for a court to decide. Our role is to look at whether Advantage carried out a fair investigation and came to a reasonable liability decision supported by all the available evidence.

I can see that under Ms W's policy, Advantage has the right to take over and settle a claim on her behalf. This means they can make a commercial decision about whether it's reasonable for them to defend a claim or not. This allows Advantage to decide how to manage the claim and it mitigates the risk of claims incurring large, unrecoverable costs when it's unlikely they will be able to recover those costs from another party. As this is a common term in most insurance policies, I do not find that it is unreasonable – provided Advantage applied it fairly.

Advantage initially intended to hold Ms W fully responsible for the accident but later concluded the claim should be settled on a 50/50 basis. They said they reached this view after considering the accounts from both drivers, dashcam footage, an independent witness statement, relevant case law, and applicable provisions of the Highway Code. I appreciate Ms W has drawn a distinction in the way her own vehicle entered the amber traffic lights as opposed to the other driver entering amber lights, and says the other driver breached the highway code, but I do not think this is solely determinative when reaching a fair conclusion in this complaint.

The question for me to decide isn't whether Ms W's interpretation of the Highway Code could be argued. It's whether I'm satisfied that Advantage's decision on liability fell within the range of reasonable outcomes open to them and fairly based on the evidence they reviewed at the time. Having considered the material evidence carefully, I'm satisfied that they did.

Advantage looked at relevant case law considerations, considered third-party witness evidence, and I think they followed normal industry process and agreed to settle the claim in the way they did.

As the policy's terms allow them to make a commercial decision, I'm not persuaded this was unfair. An insurer isn't required to take every case to court at any cost and in every circumstance. And I'm satisfied Advantage acted in the same way any insurer in the industry is likely to have acted in these circumstances. This also means I find it was fair and reasonable for Advantage to deduct 50% of Ms W's excess from her claim settlement. In a normal claim process, a policyholder is required to pay their excess in order for the claim to progress. This forms the portion of the claim they are contractually required to meet – and this isn't unusual or unreasonable. Therefore, it follows that I find Advantage reasonably settled the liability claim as per the policy's terms and relying on the available evidence available at the time.

### Advantage's claim handling

In terms of how Advantage handled other aspects of the claim, it's not in dispute that Advantage caused delays in the claim process and their customer service wasn't to the standard that Ms W could reasonably expect to receive. I can see Advantage acknowledged there'd been delays in concluding the claim and periods in which no progress had been made. So, I don't need to make an extended finding on whether or not Advantage did something wrong here. Instead, I need to decide what the impact was to Ms W and whether they've done enough to put things right.

I can see Advantage apologised for the claim delays, any lapses in communication, and the issues with finalising the total loss settlement and made a compensation award of £300. In terms of making a compensation award, it's important to note that this Service doesn't punish or fine a business. A compensation award is intended to reflect the impact a business's actions had on their customer.

I've therefore weighed up Ms W's testimony, the available evidence, and the duration of the process. I've also considered whether I'm satisfied there is a clear causal link between Advantage's service and the additional impact Ms W's describes – because she's said she experienced a considerable amount of distress and inconvenience because of this complaint. I was sorry to hear about her pre-existing medical issues which she says were exacerbated due to Advantage's handling of the claim. But having considered what happened carefully, I haven't seen any persuasive evidence that demonstrates Advantage's handling of the claim caused Ms W distress and inconvenience beyond that already reflected in their compensation award.

Overall, I think the sum already offered of £300 is fair and reasonable in the circumstances, – so I'm not going to direct Advantage to increase this. I recognise this is not the level of compensation Ms W had hoped for, and it may not ultimately change matters for her, given her larger concerns over how she feels Advantage dealt with the claim. But I'm satisfied the sum Advantage has already put forward is in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint or require Advantage Insurance Company Limited to do anything more in relation to it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 26 February 2026.

Stephen Howard

**Ombudsman**