

The complaint

Mr W's complained that Advantage Insurance Company Limited unfairly declined his motor claim and cancelled his policy after he reported an accident.

What happened

In early 2025, Mr W bought a motor insurance policy from Advantage. A few months later, he had an accident. So he contacted Advantage to make a claim.

When they began reviewing the claim, Advantage's agent noted that, although Mr W had told them when he bought the policy that his car had no modifications, it had in fact been modified. So they contacted Mr W asking him to explain this.

Mr W explained that two of the modifications were factory fitted. The other two modifications had been fitted on the day of the accident. He'd intended to notify Advantage about the work, but a family emergency stopped him doing so before the accident.

After they received this information, Advantage concluded the modifications meant they couldn't insure Mr W's car. So they cancelled his policy with effect from the day before the accident – the last day it met their criteria for cover. They said Mr W's policy made it clear he needed to inform them of any intention to modify the car and he'd not done this. So, in line with the policy terms, they could cancel. Mr W complained, but Advantage didn't change their decision. So Mr W brought his complaint to the Financial Ombudsman Service,

Our investigator reviewed the information provided by both parties and concluded Advantage didn't need to do anything more to resolve Mr W's complaint. She was satisfied the policy documents made it clear that Mr W had to report certain changes to Advantage – including any intention he had of modifying his car. As he hadn't done this, it was reasonable for Advantage to exercise their right to cancel the policy.

Mr W didn't agree with our investigator's view. So I've been asked to make a final decision.

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 that, I'm not upholding Mr W's complaint. I'll explain why.

My role is to decide if Advantage dealt with Mr W fairly and reasonably, in line with the policy terms. There's no dispute that Mr W had his car modified. So, my starting point is to consider what the terms say about this.

Modifications are referred to in the statement of insurance which was part of Mr W's welcome pack, as well as in the policy document itself. The statement of insurance says:

“What's a modification?”

A modification is any alteration to your car from the manufacturer's standard specification. This includes, but isn't limited to:

- *Changes to the bodywork, such as spoilers or body kit*
- *Changes to suspension or brakes*
- *Alloy wheels*
- *Audio/entertainment system*
- *Changes affecting performance, such as to the engine management system or exhaust system.*

*You must also update your Policy **if you intend to** alter or modify your Car/s from the manufacturer's standard specification*

If you don't tell us about a modification, we may cancel your Policy from its start date, apply additional premium or add new terms to your Policy."

This wording is repeated in the policy itself.

Mr W hasn't suggested he didn't know he should advise Advantage of the modifications. But he says a family emergency arose, which meant he didn't contact Advantage before he had his accident and it's unfair of them not to take that into account.

I've thought about this, but I don't agree with Mr W's position. The wording I've emboldened and underlined above states that a policyholder should contact Advantage to let them know that they intend to modify their car. I think that makes it clear that contact should be made before the work is done – not after the event. So, even though I accept Mr W meant to contact Advantage to let them know the work had been done, I don't think he complied with the obligation the policy placed on him.

I know Mr W feels it was unfair for Advantage to cancel his cover and to backdate that cancellation to the day before his car was modified. But Advantage have shared confidential underwriting data which shows that they won't cover modified cars. I'm satisfied that, had Mr W contacted them ahead of the work, they would have told him this and he would have been able to arrange alternative cover - or chosen not to go ahead with the work.

But to say Advantage should have continued Mr W's policy after the modifications were made would require me to say they should disregard their underwriting criteria. I can't reasonably say that.

The section of the policy I've quoted above makes clear Advantage can cancel the policy if they're not told about a modification. And so I think it was fair for them to do that when the car ceased to meet those criteria.

I know my decision leaves Mr W in a difficult position. I am sorry about that. But, for the reasons I've explained, I don't think Advantage need to do any more to resolve his complaint.

My final decision

For the reasons I've explained, I'm not upholding Mr W's complaint about Advantage Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 March 2026.

Helen Stacey
Ombudsman