DRN-6116981

The complaint

Miss B is unhappy about how Advantage Insurance Company Limited handled and settled her home insurance claim following damage to her property.

References to Advantage includes its agents.

What happened

The background to this complaint is well known to the parties. So, I've simply set out a summary of what I think are the key events.

Miss B held a buildings insurance policy with Advantage when her home was damaged during bad weather. She reported missing roof tiles and water ingress, which caused internal damage in particular to her flooring and a graphic design tablet.

Advantage agreed to cover the internal and contents damage under the accidental damage section of the policy, but it declined to cover the roof damage. It relied on a surveyor's opinion that wear and tear was the main cause, however it didn't clearly communicate its decision to Miss B, which caused confusion.

Over the following weeks, Advantage gave Miss B conflicting valuations for the internal damage. Its initial offer was very low and didn't include the full works required. Miss B also obtained her own quote which indicated the work would cost £4,600. Advantage reviewed this and after more revisions and expanding the scope of works, offered Miss B a final settlement amount of £3,484.60, less the policy excess, or to carry out the repairs. Miss B chose the cash settlement, explaining that she'd lost trust in Advantage.

Advantage also settled Miss B's graphic design tablet by paying her the purchase price. But the device is no longer available, and Miss B didn't think Advantage had paid enough to buy a reasonable alternative.

Miss B complained. She was unhappy about the surveyor's inspection, the decline of her roof claim, the handling and settlement of the internal damage, and her tablet.

Advantage didn't uphold the complaint. It defended its surveyor's findings and didn't change its stance on the roof claim. It also thought its settlement of the internal damage and contents were fair. However, it accepted it had handled the claim poorly, causing delays and confusion. Advantage apologised for this and paid Miss B £250.

Miss B complained further but Advantage didn't change its stance. However, it did say that the weather data showed there hadn't been storm conditions at the time of loss, which contradicted what it had said before.

Miss B referred her complaint to the Financial Ombudsman Service. Our investigator thought Advantage had fairly declined the roof claim and fairly settled the internal damage. He

thought the settlement amount for Miss B's tablet was reasonable on the basis that Advantage had provided evidence of a newer equivalent device Miss B could buy. He also thought £250 of compensation was sufficient for the poor service.

Miss B didn't agree. Amongst other things, she said the tablet Advantage had suggested was not a reasonable replacement because it was an entry-level device and not a professional-grade tablet. She also asked for a breakdown of Advantage's internal damage settlement, as without this she couldn't judge whether the settlement was fair and comprehensive, particularly in light of her own quote.

As Miss B didn't agree with our investigator's view, the matter was referred to me. I considered the complaint and decided to reach a different outcome to our investigator. I issued a provisional decision explaining why, as follows:

> The relevant industry rules require Advantage to handle claims promptly and fairly, and it cannot decline a claim unreasonably.
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> The roof damage
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> Our Service's approach to storm damage claims requires me first to consider whether there were storm conditions at all at the time of loss.
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> Miss B's policy defines a "storm" as:
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> > "A period of violent weather defined as: wind speeds with gusts of at least 48 knots (55 mph, equivalent to storm force 10 on the internationally recognised Beaufort Scale), or torrential rainfall at a rate of at least 25mm per hour…"
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> I find this definition reasonable and in line with standard industry practice. So, I've considered whether this threshold was met. I've reviewed the available weather data for Miss B's area at the time of loss and the days leading up to it. The nearest weather station, around one mile from Miss B's property, recorded maximum wind speeds of 44 mph, and rainfall of much less than 25mm per hour.
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> As the policy definition of storm was not met, I'm persuaded that Miss B's storm cover did not apply. In these circumstances, I don't think it would be fair or reasonable to require Advantage to accept a storm claim. I therefore don't intend to tell Advantage to deal with the roof damage.
>
> I've taken into account that Advantage initially told Miss B that the weather met its storm criteria and later said it didn't, without explanation. While this didn't change what I view as the right outcome, it did cause Miss B understandable confusion and frustration. I've considered this later when looking at the overall service provided.
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> The internal damage
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> I've considered whether Advantage fairly settled Miss B's internal damage claim, particularly her flooring.
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> Miss B's policy allows Advantage to choose how to settle a claim. Where Advantage offers to carry out the relevant repair work, and the policyholder instead chooses a cash settlement, the policy allows Advantage to limit that payment to the amount it would've paid its own suppliers. Our Service generally considers this fair when the insurer has genuinely offered to carry out the work.

I've seen the email where Advantage offered to instruct its surveying firm to complete the repairs, or alternatively to pay a cash settlement. I'm satisfied this was a clear and unconditional offer, and I haven't seen anything to suggest Miss B couldn't have accepted it. Miss B instead chose a cash settlement. So, Advantage only needed to pay the amount it would've cost its own suppliers to do the work.

Miss B says the offer wasn't genuine. She's explained that Advantage's earlier valuations were very low, didn't reflect the full scope of works required, and were accompanied by confusing and contradictory information. She says this meant she couldn't be confident the repairs would be like-for-like.

I've thought carefully about this. Advantage's initial valuations were unrealistically low and didn't properly reflect the scope of works required. I'm satisfied this caused avoidable confusion, frustration, and delay. Advantage later reviewed the claim and expanded the scope of works, accepting, for example, that full replacement flooring was needed. While earlier offers were insufficient, by the time of the final offer, the scope had been established, and Advantage had reviewed Miss B's quote as a point of comparison.

I understand why Miss B felt concerned. However, I don't think the earlier poor service meant Advantage's later offer to carry out the work wasn't genuine. I haven't seen evidence to suggest Advantage wouldn't have been able to complete a lasting and effective repair had Miss B accepted that option.

In these circumstances, the policy entitled Advantage to settle the claim by reference to what it would've paid its own contractors. Where a policyholder chooses a cash settlement instead of the insurer to do the works, I don't think it's unfair for an insurer to rely on that approach. Advantage has shown that its final offer was calculated by a senior surveyor in December 2024, taking into account the size of the affected rooms, flooring costs, underlay, labour, disposal, protections, and a reasonable allowance for making good. It priced the flooring at £30 per square metre, which is the amount Miss B told Advantage she'd paid.

I've compared this to the quote Miss B obtained. While Advantage's figure was lower, I'm satisfied it didn't leave out any elements included in Miss B's quote. The difference largely reflects higher labour costs in Miss B's quote, which Advantage has said are higher than market rates. And in any case, large insurers like Advantage can often access preferential market rates, so I don't find it unusual that Advantage's labour costs may have been lower.

Taking everything into account, I'm satisfied Advantage's offer represented a realistic cost for the works using its own suppliers. So, I'm satisfied the settlement was fair and in line with Miss B's policy terms.

I want to be clear that my intended conclusion on this point does not take away from the difficulties Miss B experienced. Advantage's poor scopes of work, repeated changes to its valuations, and lack of clarity understandably caused Miss B confusion, frustration and a loss of confidence. However, those failings don't mean the final settlement figure itself was wrong or unfair under the terms.
I'm satisfied that, by the time Advantage made its final offer, it had identified the correct scope of works and calculated a realistic cost based on what it would've paid its own suppliers. I've therefore addressed the impact of the poor handling separately when considering compensation, rather than by interfering with a settlement that I consider fair.

The cost breakdown

Miss B has asked to see Advantage's cost breakdown. Advantage has declined, saying its supplier rates and pricing are commercially sensitive.

I recognise why Miss B feels strongly about this. Given the changing valuations and scope, it's understandable that she'd want reassurance that the final figure covered everything.

However, our rules allow us to accept information from either party in confidence. I've scrutinised Advantage's breakdown and I'm satisfied it covered the required work in the same way as Miss B's quote, albeit at a lower cost. I accept that supplier labour rates and pricing are confidential in this context, and I don't think it would be appropriate to require Advantage to disclose them.

The graphic design tablet

I've considered the dispute about Miss B's graphic design tablet.

While Miss B's tablet was several years old, it was designed for specialist graphics work and had features that aren't included on entry-level devices. Miss B has explained that it had integrated shortcut controls for efficient use, professional-level colour accuracy, and built-in ergonomic features. She's explained that she has a disability and these features allow her to use the device comfortably and effectively. Advantage was aware of Miss B's disability.

The parties agree that Miss B's tablet isn't available anymore. In this situation, the policy required Advantage to pay Miss B "the full replacement cost of the item". But this had to be enough for Miss B to buy a reasonable alternative. In my view, this should be a device broadly equivalent in type, quality and function. It isn't enough that a device is newer if it doesn't offer similar professional capability.

I've considered the device Advantage has said Miss B can buy as a reasonable alternative. It's equal to or superior in areas such as the stylus, screen size and resolution. But I don't agree that it's a reasonable alternative overall.

While it's newer, it's specifically marketed as an entry-level device. It doesn't offer equivalent professional capability, performance, or ergonomics. It lacks integrated controls and professional-grade colour accuracy, for example, which I'm persuaded make it meaningfully inferior in the ways that matter for its use case. Taking Miss B's accessibility needs into account, I don't believe it's a suitable replacement.

On the other hand, Miss B has proposed the current flagship professional-grade model from the same manufacturer as a reasonable alternative. I've considered this and I don't agree. This device is vastly superior in essentially every way and more than twice the price of Miss B's original device. Even allowing for new-for-old cover, I don't think it would be fair to require Advantage to fund the highest-specification flagship model as a reasonable alternative to a 13-year-old device.

Even so, it isn't my role to assess Miss B's claim or select a specific model as a replacement. The policy places this responsibility on Advantage. My role is to decide whether Advantage has fairly settled the claim by paying Miss B enough to purchase a reasonable replacement. I'm not satisfied it has.

So, in the absence of a reasonable alternative, I think the fair way to resolve this issue is for Advantage to assess the claim again. Any reassessment must take into account the professional nature of Miss B's device, her accessibility needs, and the amount Advantage has already paid. This is the outcome I intend to reach.

The service provided

I've considered how Advantage handled Miss B's claim overall.

There were several service failings. Advantage gave inconsistent information about whether the storm criteria were met. Its earlier valuations and scopes of works for the internal damage were insufficient and had to be changed several times. There was confusion about what information had been shared with Miss B and when, delays in complaint handling, and problems processing settlement payments. There's also the tablet claim I intend to find was settled unfairly. I'm satisfied that these issues caused Miss B avoidable frustration and inconvenience over several months.

Advantage has already accepted it provided poor service and has paid Miss B £250. Having reviewed the handling of the claim in full, including Miss B's known vulnerability and the impact of the issues I've described, I don't think £250 is sufficient.

I consider £400 in total compensation to be fair and reasonable to recognise the distress and inconvenience caused. So, that is what I intend to award.

Responses

Miss B responded to my provisional decision, and I've summarised her comments below.

Regarding her roof, Miss B highlighted the damage her property suffered and pointed out that Advantage changing its position on storm conditions significantly contributed to her distress and loss of trust.

Regarding the internal damage, Miss B highlighted that Advantage's valuations had changed repeatedly, she was never given a priced or detailed breakdown of the final offer, or even a high-level summary, her own detailed and itemised quote was scrutinised while Advantage's was viewed as decisive even though she hadn't seen it, and she found it upsetting and unreasonable to have to accept this without more information. Miss B explained that the only scope of works Advantage gave her was vague, unpriced and too low. She says this all meant it wasn't realistic for her to accept Advantage carrying out the repairs.

Regarding her graphic design tablet, Miss B agreed with my provisional outcome and asked that my final decision include certain safeguards around the way Advantage must handle the claim reassessment, for example to make sure any replacement device is new and genuinely equivalent in type, quality and function, and to protect against further delay or disagreement.

Miss B also asked that I reconsider the level of compensation I intended to award. She said that prolonged uncertainty was very upsetting for her as a disabled and neurodivergent customer, and she referenced our published guidance on compensation awards.
Advantage did not respond to my provisional decision.

As the parties have had reasonable time to consider my provisional findings, I now consider it appropriate to issue my 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.

I've reviewed the complaint again together with the further comments and evidence provided by Miss B. Having done so, I haven't found reason to change my provisional outcome. I've explained why below, focusing on the points and evidence I consider most relevant. If I haven't commented on a particular point or piece of evidence, it's not because I haven't thought about it. Rather, I don't consider it changes what I see as the right outcome.

Miss B's home was undoubtedly damaged. However, damage is not what determines whether storm cover applies. For the policy to respond, there must first have been storm conditions as defined in the policy. Having reviewed the weather evidence, I remain satisfied that those conditions were not met at the time of the loss.

I accept that Advantage changing its position on storm conditions must have been confusing and upsetting for Miss B. I explained in my provisional decision that this didn't change the correct outcome on cover, but it did cause understandable confusion and distress. I've taken this into account when considering the overall service provided.

I've considered Miss B's further comments on why she didn't want Advantage to do the repairs. I'm satisfied my provisional decision addresses this. Miss B has asked whether Advantage can provide her with a high-level summary of its scope of works, with confidential information removed. I understand why she's asked for this, given the changes to the scope.

However, the issue for me is whether the absence of such a summary means the final settlement was unfair. I'm satisfied it doesn't. I've reviewed Advantage's cost breakdown in confidence, and I'm satisfied it covered the full scope of works required on a like-for-like basis. It allowed for the necessary elements of the work, including the flooring, underlay, fitting, trims, removal, disposal, protections and making good, as well as the room sizes and the type and quality of flooring required, specifically the flooring Miss B said she had.

While a high-level summary might have reassured Miss B at the time, I don't think it's reasonable for me to require Advantage to produce further documentation now, given I've been able to check the scope and basis of the settlement myself. I also don't consider the absence of such a summary as a reason to interfere with a settlement that I find fair and in line with Miss B's policy terms. Even so, I've taken the lack of clarity and repeated changes into account in my consideration of the overall service.

Regarding the graphic design tablet, I've considered Miss B's request for specific safeguards around how Advantage should reassess the claim, including requirements for disclosure, suitability and timeframes. I acknowledge Miss B's concern given what's happened. But it isn't appropriate for me to set out a detailed checklist for how Advantage should reassess the claim. That responsibility sits with Advantage. What I can do is require Advantage to reassess it fairly, taking account of the factors I've set out and the comments in my decision.

If Miss B is unhappy with how the reassessment is carried out, she would be entitled to raise a new complaint to Advantage and potentially refer the matter to our Service if she remains unhappy.

I've also considered Miss B's comments about compensation. She's referred to our published guidance which says we might make an award in the range of £300 to £750 where the impact of a business's mistake causes considerable distress, upset and worry. I agree with Miss B that this fairly describes her situation. But I should explain that the ranges

published on our website reflect total compensation including any amount a business has already paid.

Taking into account the nature, duration and impact of the failings here, together with Miss B's individual circumstances, I'm satisfied that £400 of compensation in total is fair and reasonable and in line with our published guidance. So, this is what I award.

In all, I've considered the matter again and my opinion hasn't changed. So, my provisional decision, along with my additional comments here, are now the findings of my final decision.

Putting things right

To resolve the complaint, I require Advantage to:

- Reassess Miss B's claim for her graphic design tablet, taking into account the professional nature of her device, her accessibility needs, and the settlement amount already paid.

- Pay Miss B £400 of compensation in total for distress and inconvenience, less any amount already paid.

My final decision

For the reasons I've given I uphold Miss B's complaint and direct Advantage Insurance Company Limited to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 27 February 2026.

Chris Woolaway
Ombudsman