

## **complaint**

Mrs B has complained that Advantage Insurance Company Limited incorrectly recorded a claim against her car insurance policy.

All references to Advantage include its agents.

## **background**

Mrs B's car insurance policy is underwritten by Advantage. On 12 November 2018 Advantage wrote to Mrs B to say it had received a claim from a third party for an incident in January 2018.

Mrs B contacted Advantage and said she wasn't involved in any incident. Advantage removed the incident two weeks later as it said it had recorded it by mistake. Mrs B complained to Advantage. She said it had caused her considerable worry and inconvenience.

Advantage upheld Mrs B's complaint and apologised. It paid Mrs B £75 compensation.

Mrs B contacted us as she felt the compensation Advantage had paid her was derisory. She explained that on the day she received Advantage's letter, she was working from home and was contracted by a company to carry out interviews by telephone. Mrs B said she was in no fit state to speak to people. Mrs B said that Advantage's letter made her question herself as to whether she'd had an incident but hadn't remembered it. She said she spent considerable time on the phone that day – and subsequent days – speaking to Advantage to get an update.

Our investigator thought Advantage could've resolved the issue sooner than it did – and therefore caused Mrs B unnecessary distress. So she thought Advantage should pay Mrs B a further £100 compensation.

Mrs B accepted the investigator's findings. Advantage didn't agree. It believes it did enough to resolve Mrs B's complaint.

So the case has been passed to me to decide.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

From Advantage's notes, it seems the contact it received from a third party didn't have Mrs B's details or her registration number. Even so, Advantage wrote to Mrs B on 12 November 2018 and asked her to contact it to discuss the claim – and to complete an accident report form.

Mrs B called Advantage on 16 November 2018. Advantage's notes read:

*"PH (policyholder) Called - very upset - has never had a claim - checked on file we have no details - no location , circs (circumstances) etc. - letter from TPS (third party solicitor) on file - different accident date and different PH"*

So it seems that when Mrs B called Advantage, it was aware that the information it had from the third party didn't appear to relate to Mrs B. Advantage tried to call the third party solicitor – and Mrs B back on the same day – but wasn't able to speak to either.

On 21 November 2018 Mrs B called Advantage for an update. The agent said that the next step would be to wait for the third party solicitors to reply. If they continue to claim, Advantage will instruct an engineer to inspect Mrs B's car. And – it may need to defend the matter in court – which Mrs B agreed she was willing to attend. Mrs B reiterated the stress this issue was causing her.

On 27 November 2018 Mrs B's husband called Advantage. The agent recognised that the third party's allegation letter wasn't for Mrs B's policy. The agent told Mr B that the claim had been registered in error and apologised. Mr B complained.

I understand Advantage believes the compensation it's paid Mrs B is appropriate for the level of distress and inconvenience it caused her.

I think this is a finely balanced case in deciding a fair and reasonable level of compensation. But I think Mrs B has clearly explained what impact the letter had on her – and the time she spent speaking with Advantage. I can understand the upset Mrs B felt when she received Advantage's letter dated 12 November 2018 – and the further worry Advantage caused when it told Mrs B she may need to attend court.

From Advantage's notes, it seems that it wasn't necessary to contact Mrs B at all. I think - if it had carried out further checks when it was first contacted by the third party solicitor - it would have reached the same decision it reached on 27 November 2018. I say this because Advantage didn't receive any further information between 12 and 27 November 2018.

So I think Advantage caused Mrs B unnecessary distress and inconvenience which also had an impact on her work. And so in this case, I think it's fair and reasonable for Advantage to increase the compensation it's paid Mrs B by a further £100. This is in addition to the £75 it's already paid her.

### **my final decision**

For the reasons I've given above, my final decision is that I uphold this complaint. I require Advantage Insurance Company Limited to pay Mrs B £100 compensation in addition to the £75 it's already paid her for the distress and inconvenience caused.

Advantage Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it Mrs B accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 5 May 2019.

Geraldine Newbold  
**ombudsman**