

## **The complaint**

Mr C complains about how Advantage Insurance Company Limited handled a claim made on his motor insurance policy. He wants compensation for his consequent losses.

## **What happened**

Mr C was involved in an incident and called Advantage's recovery agent for assistance. He was unhappy that he had to wait for four hours for assistance until he was told to go home, and a keyless recovery would be made. Mr C said he wasn't told to retain his taxi receipt to reclaim his expenses. The recovery driver wasn't told the recovery was keyless and Mr C was caused inconvenience by having to contact Advantage again. Advantage told him the car would be recovered to its repairer.

But, unfortunately, this didn't happen, and Advantage couldn't locate the car. Mr C said he was pressed to declare the car stolen. But he declined to do this as he thought it was fraudulent. Mr C had to spend long periods on the phone to Advantage, his finance company and the police. He borrowed a car until he was provided with a courtesy car, but he was unhappy that it wasn't like for like.

It took three months for Advantage to locate the car and it was then taken for repairs. Mr C wanted compensation for his months without the use of his car and for the stress and inconvenience caused him.

Advantage initially upheld Mr C's complaint about the delay in recovery and it offered to pay him £50 compensation and reimburse his £25 taxi fare, without a receipt. Advantage said it hadn't progressed the claim for a month in error. It closed the theft claim and it reopened his initial claim for the damage caused to his car. A week later, the car was located and recovered. Advantage offered Mr C £170 for 17 days' loss of use until he was provided with a courtesy car. And it offered him £200 compensation for his trouble and upset. But Mr C was unhappy with this.

Our Investigator recommended that the complaint should be upheld. She thought Advantage should also compensate Mr C for the stress caused by it telling him his car had been stolen. She thought it should waive the £345 policy excess and pay Mr C £250 further compensation.

Advantage replied that it disagreed that the excess should be waived as this was required by the policy's terms and conditions and would always have been payable. Mr C replied that he had to pay his finance and other costs for a car that he was without for over three months. He thought the courtesy car should have been like for like. He wanted reimbursement for this, the claim removed and more compensation for the stress caused him by Advantage's level of service.

## **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 was sorry to hear about Mr C's experience. I can understand that the handling of his claim and Advantage's level of service must have been very frustrating and stressful for him. Mr C

has helpfully provided a detailed timeline of his experience. And I've considered this alongside Advantage's file.

Advantage accepts that it has provided a poor level of service for Mr C:

- There was an initial delay in his recovery, and he wasn't given information about his entitlement for onward travel.
- The recovery agent wasn't told the recovery was keyless and so the instruction had to be repeated and Mr C had the inconvenience of contacting it and Advantage to sort matters.
- The car wasn't collected from its roadside location for over two months. Advantage's agent couldn't locate the car, despite an earlier recovery agent attending the car at the site and Mr C providing evidence of this to Advantage.
- Advantage incorrectly opened a theft claim and caused Mr C much stress and inconvenience by pressing him to make the theft claim against his wishes.
- Advantage incorrectly halted progressing the claim, and looking for the car, for a month, causing an avoidable delay.

When a business makes a mistake, as Advantage accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

I can see that when Mr C first raised his complaint about the recovery and information provided, Advantage offered him £25 reimbursement for his taxi fare without a receipt as a gesture of goodwill and £50 compensation. Mr C said he received just £50. And I think Advantage should honour its offer and pay him a further £25 unless it has already done so.

Mr C thought he was entitled to a like for like courtesy car whilst his car was being repaired. But I disagree. On page 10 of the policy document under "Replacement car", Advantage states:

*"The replacement car will be provided by your Insurer's Nominated Repairer*

*The service is only available while your Car is being repaired*

*The replacement car will usually be a group A vehicle..."*

Mr C was provided with a three door, small car. I can understand that this was dissimilar to his own car. But this was his entitlement under the policy. And I can't say that Advantage was wrong in providing this.

The car should have been provided from the date the car had been recovered and assessed for repairs, usually a week after recovery. But it took 17 days after the date of the incident for Advantage to provide a courtesy car. Mr C was able to borrow a family car and incurred costs in adding himself to the insurance.

Advantage offered to pay Mr C £170 for 17 days' loss of use when it said he was only entitled to £100 for 10 days. I would usually consider this fairly compensated Mr C in keeping with our approach. But I'll consider this below under the overall compensation I think Advantage should pay Mr C.

Mr C's car was eventually recovered and taken for repairs. Mr C was concerned about the effect on the car whilst it was on the roadside. But I can see that his car is usually kept on a driveway, and so outside. If Mr C is unhappy with the repairs made to his car following his claim, then he can complain to Advantage about this. And, if he remains unhappy, he can bring his complaint to us.

Mr C said he should be compensated for having to pay his car finance in the meantime. But this isn't something covered by his policy's terms and conditions. And I'll consider the impact of being without his own car when I look at the overall compensation payment.

Mr C also said he wanted the claim removed from his record. But I don't think that would be fair or reasonable as he has made a claim on his policy and Advantage is obliged to keep an accurate record of his driving history.

So, I think the recovery and repair of the car, the provision of a courtesy car, and the offer for loss of use restores Mr C's position. So I'll now consider the impact the handling of the claim had on Mr C.

Mr C has explained that he spent about 40 hours on calls to Advantage and its agents. He had a month when no contact was made. He was caused stress and upset by being pressed to make a theft claim that Advantage now agrees was incorrect. He didn't know where his car was. He was without the use of his own car and had to use a courtesy car that was smaller for months when his own car should have been recovered and repaired.

Advantage offered Mr C £370 in total compensation for this. But I don't think that is sufficient for the months of stress and worry caused by its level of service. Our Investigator recommended that Advantage should waive the £345 policy excess and pay Mr C £250 further compensation.

Advantage said the policy excess is payable as it's part of the insurance contract. And I would usually agree with this. But in Mr C's particular circumstances I think it would be fair and reasonable for Advantage to waive or refund it to compensate Mr C for the impact of its service failings.

I think the total compensation would then be in keeping with our published guidance for the impact caused to Mr C. And so I think that's fair and reasonable.

### **Putting things right**

I require Advantage Insurance Company Limited to do the following:

1. Pay Mr C £25 further compensation (£75 in total) for its initial handling of his claim unless it's already done so.
2. Waive or refund Mr C's policy excess for this claim and pay him £250 further compensation for the distress and inconvenience caused by its handling of his claim.

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint. I require Advantage Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 August 2023.

Phillip Berechree  
**Ombudsman**