

## **The complaint**

Ms C complains about the information Advantage Insurance Company Limited gave when handling her claim on her car insurance policy.

## **What happened**

Ms C's car was damaged, so she claimed on her policy with Advantage. When Ms C's car was returned to her, she said there was water getting into the boot, which wasn't happening previously and so Ms C thought it was accident related.

Advantage agreed to review the issues with the repairs and ultimately determined they were accident related. However, while this was happening Ms C was charged around £1,500 for the hire car she was using while hers was in for repair. Ms C complained to Advantage about this. She said she'd been told to keep the hire car and this had resulted in her being charged for it.

Advantage reviewed the complaint and initially offered £75 compensation for poor claim handling. Ms C didn't accept this and so Advantage reviewed it again and issued its final response letter. In this, it said Ms C had been asked by the hire car company to return the car on 8 April and that Advantage had also said this to Ms C on 25 April. However, Advantage agreed it gave incorrect information on 5 May and this resulted in the hire car being returned 5 days later than it should. So, it agreed to pay for the hire car for 5 days and increased its compensation to £30. Advantage said it would pay Ms C an additional £226.55 for 5 days hire car costs, plus £30 compensation, making the total it would pay of £256.55. Ms C didn't think this was fair and referred her complaint here, she said she'd been charged around £1,500 for a hire car and didn't think this was fair.

Our Investigator reviewed the complaint and found that Ms C had been provided with a hire car outside of her car insurance policy while her car was in for repair. As Ms C hadn't complained about being provided with a hire car, she found this would need to be considered separately. However, our Investigator also didn't think Advantage had acted fairly when putting things right for the incorrect information it gave Ms C about returning the hire car. She found that 5 days hire charges amounted to £271.86 and so didn't think Advantage had calculated the amount correctly. She asked Advantage to increase what it would pay for 5 days hire car charges. She also recommended Advantage add 8% interest to the amount it pays to compensate Ms C for not having the money. But said Ms C had gone into her overdraft when the hire car charges were taken. So she said that if Ms C had paid more than the value of 8% simple interest in overdraft charges then Advantage should compensate her for this.

Our Investigator also acknowledged the previous £75 compensation and agreed this plus the additional £30, making a total of £105, was fair compensation for the distress and inconvenience caused by the incorrect information being given.

Advantage agreed to the increased compensation and said this was down to a calculation error and so didn't agree to the complaint being upheld. Our Investigator disagreed, she said the amount offered wasn't correct and said she had also recommended Advantage add

interest to what it pays. Because of this, our Investigator said it was correct to uphold Ms C's complaint. Ms C replied and said she wasn't aware it was a hire car at the time and so didn't think it was fair she was charged anything for it.

As neither party agreed with our Investigator the complaint has come 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.

Before I address the merits of this complaint, I think it's first important to set out the different parties involved and what I can and can't consider in this complaint.

When Ms C's car was in for repair, she was provided with a hire car, outside of her car insurance policy terms and conditions. Therefore, the provision of the hire car is not something Advantage are responsible for under the policy. When Ms C complained to Advantage, she raised concerns about the information given when raising concerns about the quality of repairs to her car. This means, in this decision, I can only consider the actions of Advantage when discussing the issues with the repairs.

I understand Ms C has now raised a separate complaint about being provided with the hire car. As this is a separate complaint, I won't be commenting on that here. Also, while Ms C was calling to discuss issues with the repairs, whether the issue Ms C raised is accident related or not hasn't been considered in this complaint. This decision is only considering the hire car charges and whether Advantage's actions when discussing the quality of repairs caused Ms C to incur additional hire car charges.

I've listened to the calls Ms C had with Advantage when discussing the issues with the repairs. In doing so, I'm not persuaded it gave Ms C incorrect information about returning the hire car before 5 May. So, I don't think Advantage is responsible for Ms C returning it later than she should have before 5 May.

Advantage agreed it gave incorrect information about returning the hire car which meant it was returned 5 days later than it would have been. It's agreed to pay 5 days hire to Ms C to compensate her for this and said it would pay £226.55 to Ms C. While I agree paying 5 days hire is fair and reasonable, I'm not persuaded £226.55 is the fair amount to pay. Ms C has been charged £1,576.78 for 29 days hire. Therefore, 5 days hire amounts to £271.86 and so Advantage needs to pay this amount to Ms C, if not already done so. As Ms C has paid this to the hire car company already, and it's an amount she shouldn't have paid, Advantage needs to add 8% simple interest per year calculated from the date Ms C paid the additional £271.86 until the date of settlement by Advantage, to compensate her for not having the money. Ms C has also mentioned she had to use her overdraft to pay this amount. So if Ms C has been charged more than the value of the 8% interest payment, Advantage would need to pay Ms C what she has been charged instead, subject to receiving reasonable evidence of the charges.

I can also see Advantage has offered in total £105 compensation for the poor claim handling. Given that I'm directing Advantage to pay Ms C's financial loss due to the incorrect information, I'm satisfied £105 compensation for the distress and inconvenience is fair and reasonable in the circumstances.

I've considered Advantage's points about the calculation being an error and it had agreed to 5 days hire car charges. However, I'm also directing Advantage to do more than it offered in the final response letter, as it didn't agree to pay interest.

Ms C has said she feels shouldn't pay any of the hire car charges. While I understand Ms C's comments about these, I'm also aware there is a separate complaint about the provision of the hire car. In this complaint I can only consider the information given about returning the hire car in the calls when discussing the quality of the repairs to her car.

### **My final decision**

For the reasons explained above, my final decision is that I uphold this complaint. I require Advantage Insurance Company Limited to:

1. Pay Ms C £271.86 for 5 days hire car costs between 5 May and 9 May.
2. Pay Ms C 8% simple interest per year on the above amount, calculated from the date Ms C paid it until the date of settlement. If Ms C has been charged more than the value of 8% interest per year on this amount, for using her overdraft to pay it, then Advantage Insurance Company Limited needs to pay Ms C what she paid to use her overdraft instead of the 8% simple interest.
3. Pay Ms C £105 for distress and inconvenience, if not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 9 January 2024.

Alex Newman  
**Ombudsman**