

## The complaint

Miss B complains that Advantage Insurance Company Limited mishandled a claim on her motor insurance policy.

## What happened

Miss B had a car, that had first been registered in about 2010.

For the year from March 2022, Miss B insured the car on a comprehensive policy. Any claim for damage (other than a glass claim) was subject to an excess of £295.00.

The policy covered Miss B as the policyholder. The policy also covered a named driver.

The policy was branded with the name of an insurance intermediary. Advantage was the insurer that was responsible for dealing with any claim.

Much of the complaint is about acts or omissions on behalf of Advantage by the intermediary. Insofar as I hold Advantage responsible for them, I may refer to them as acts or omissions of Advantage.

Unfortunately, in August 2022, Miss B reported that a third party driver had hit her vehicle in the rear, causing it minor damage.

At first, Advantage treated the accident as the third party driver's fault. Advantage arranged repair of Miss B's car and waived the excess. So Advantage had made an outlay on the repair.

Later, Advantage decided it couldn't identify the third party or make a recovery of its outlay. So it treated the claim as a fault claim against Miss B.

Miss B complained to Advantage that it wasn't treating her fairly.

By a final response dated late May 2023, Advantage upheld the complaint. The final response included the following:

*"I have found errors in the initial registration of the claim which led to you being given false hope that the claim would be recoverable and lengthening the process. I can confirm that you did supply the third party registration on the initial call and that this registration was not for the car that hit you. This was noticed by the handler who took the call and at this stage you should have been told that the claim was likely to be unrecoverable, rather than proceed with it as a non fault claim. This mistake was compounded by the fact this was not picked up later on down the line quickly enough meaning the claim was not closed as quickly as it might have been as we attempted a recovery that had no likelihood of success. Due to the considerable stress and worry that this situation has caused to you I have raised a cheque payment to you, by way of apology of £100, that will be with you in the next seven working days. With*

*regards to your premium this would likely have been affected in the same manner because of the accident despite the mistake."*

Miss B brought her complaint to us in mid-November 2023.

Our investigator didn't recommend that the complaint should be upheld. She didn't think that Advantage was wrong to record the claim as it had. She said that the cost of repairs was about £2,800.00 including VAT. She said that, other than Miss B's testimony, there wasn't any evidence that supports that the claim wouldn't have been progressed.

Miss B disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- In August 2022, she was a novice driver, who had not previously experienced an accident or made a car insurance claim.
- Her photographs show that the accident caused minor cosmetic damage. No one would have reasonably predicted that the repairs would amount to any more than a few hundred pounds.
- From the very first call, she and Advantage knew that the information about the third party was limited to the number plate of the car (which he'd said was his mother's), his name, mobile telephone number and the texts he sent her after the incident.
- Prior to a decision to go ahead with the claim, Advantage knew that the number plate of the third party's car did not match the description she had given of the car he had been driving at time of accident.
- Advantage advised her very clearly that this would not be a problem and they still had enough evidence to successfully claim against the third party.
- Advantage gave her no indication that the claim might be unsuccessful or that she could end up with a fault claim against her.
- Before an assessment of the damage and the cost of repair, Advantage encouraged her to go ahead with the claim.
- The advice from her brother was secondary and would have been immaterial had Advantage correctly advised.
- She could not afford to take a gamble with significantly inflated insurance premiums over 5 years as a result of the possibility of a fault claim.
- The decision taken to go ahead with the claim was based solely on advice given by the Advantage call handlers in the first two calls.
- The third party evaded responsibility for the damage he caused.
- Advantage and its repairer didn't tell her about alleged further damage or the extensive cost of repair.
- For months Advantage repeatedly stated in email and calls that it was a no-fault claim.

### **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.

Where a policyholder makes a claim for repair and her insurer makes an outlay, it's common practice for her insurer to treat the claim as a fault claim unless the insurer recovers its outlay, typically from a third party.

In my view, any claim against a third party involves some risk of failure for a variety of reasons, some more predictable than others. No insurer could guarantee success in a claim against a third party.

Different insurers assess risk and set premiums in different ways at different times.

Generally, an accident notification has less effect than a no-fault claim which has less effect than a fault claim. The amount of a claim often has an effect too.

Miss B's car was a hatchback. By August 2022, the car was about twelve years old, and it had a recorded mileage of about 70,000. The accident damage looked minor.

In my view, Advantage was obliged to give Miss B relevant information about making a claim, rather than to give her advice about whether to make a claim or not.

From the recording of the first call, I accept that Advantage said that a notification of the accident would have the same effect as a claim. I think that was on an assumption that the claim would be a no-fault claim. However, I'm not satisfied that Advantage's information was correct.

From the recording, I note that Miss B said that her brother had told her that her car should be checked for damage that couldn't be seen.

Advantage told Miss B she had given it a registration number that didn't match her description of the vehicle that hit hers. Miss B now considers that the third party had been dishonest.

I don't consider that it would've been appropriate for Advantage to advise Miss B against making a claim on her policy. I'm not persuaded that Advantage unfairly caused Miss B to make a claim. Ultimately, that was her decision.

I wouldn't expect Advantage to provide Miss B with the estimate for repair, at least unless she asked to see it.

I accept that Advantage caused Miss B to believe that her claim was progressing as a no-fault claim. So Advantage caused her disappointment and frustration when it belatedly said it had given up pursuing recovery against the third party and had recorded a fault claim against her.

Advantage tried to put right that disappointment and frustration with an apology and a cheque for £100.00. On balance, I'm satisfied that this was in line with what I would otherwise have found it fair and reasonable to direct Advantage to pay for such distress and inconvenience.

I accept that the fault claim is likely to have affected Miss B's premiums from March 2023 for a few years. Nevertheless, I haven't found that Advantage unfairly caused Miss B to make a claim. So I don't find it fair and reasonable to direct Advantage to change the way it has recorded the claim.

**My final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Advantage Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 28 May 2024.

Christopher Gilbert

**Ombudsman**