

The complaint

Miss W complains about Advantage Insurance Company Limited's (Advantage) handling of a claim following an accident, under her motor insurance policy.

What happened

Miss W was involved in an accident whilst driving. Advantage dealt with her claim and arranged for the necessary repairs. Because of a delay with Advantage's approved repairer Miss W arranged for an alternative garage to carry out the repair work. She says her policy entitles her to a courtesy car, but this wasn't provided.

Miss W says the policy excess charge was very high. Also, that she wasn't aware this needed paying to the garage straight away. She says Advantage charged her £221 for moving address. This was in addition to £60 per month on top of her usual payment. Miss W says this additional payment hasn't been explained to her. When she called to speak to a manager, Miss W says they were always busy, and no-one called her back.

In its complaint response Advantage told Miss W there had been some delays with its suppliers. It says its garage was unable to provide a courtesy car, so it suggested she get an estimate from a local garage to speed up the repairs. It says it will defend liability for an accident but in this case Miss W collided with the rear of the third-party's vehicle. This means she will be recorded at-fault for the accident. Advantage offered Miss W £50 compensation for the delays she encountered.

Advantage says the increased payment Miss W complained about was due to a failed Direct Debit from June 2022. It says this amount was spread across the remaining policy months. Advantage says the premium increased due to the risk address changing, which explains the payment for £221.

Miss W didn't accept this outcome and referred the matter to our service. Our investigator upheld her complaint. He didn't think Advantage had behaved fairly with respect to the provision of a courtesy car. Although its policy terms don't provide for a courtesy car unless the work is completed by an approved repairer - he didn't think it had applied this term fairly in these circumstances. He says Advantage should pay Miss W £150 compensation for this.

Our investigator didn't think Advantage had shown it applied the premium increase fairly when Miss W moved address. He says it should refund this amount plus 8% interest. But he thought its explanation of the increased monthly payment was reasonable.

Miss W accepted our investigator's findings. Advantage said it intended on providing further information regarding the premium increase for the address change. But it didn't provide this information and didn't respond further.

As an agreement wasn't reached the complaint has been passed 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.

Having done so I've decided to uphold this complaint in part. Let me explain.

I've read the claim notes provided by Advantage. A record from July 2022 refers to Miss W having been told there would be a two-month delay in it arranging repairs - and that courtesy car provision would be reviewed when her car was in a garage. An earlier note, also in July, says Miss W had asked if she could have a courtesy car if using her own choice of garage, and that she was told she couldn't.

In its submission to our service Advantage says Miss W opted to use her own choice of repairer about a month into the claim. It says a courtesy car can only be provided if the vehicle is being repaired by one of its approved repairers. As its repairer didn't carry out the work there was no requirement to provide one.

Our investigator asked Miss W why she opted to use her own choice of repairer. She responded to say that a few weeks after making her claim she decided to visit a garage. This was because Advantage had yet to arrange the repairs. Miss W says the garage told her the car wasn't roadworthy as a bumper had gradually been dropping lower as a result of the accident. She called Advantage to ask if she could arrange for her own garage to carry out the repairs and was told she could.

Miss W says she needed a car for work and couldn't afford to pay for taxis. So, after a month of Advantage telling her it would arrange the repairs, without doing so, she arranged for her car to be repaired at the garage she'd found. She says Advantage didn't tell her it wouldn't provide a courtesy car when she told it she intended using the alternative garage.

In its final complaint response Advantage told Miss W its garage was unable to provide a courtesy car which is why it told her to get an estimate for the repairs herself. From the claim notes a discussion did take place on 12 July 2022 when the issue of a courtesy car was mentioned. It's not clear if this happened before or after Miss W arranged for the repairs to be completed.

We expect Advantage to treat its customers fairly and deal with claims effectively. Based on the information provided it didn't or couldn't arrange for the necessary repairs to Miss W's car for around a month. It hasn't said why this was. But from its claim records there is reference to one garage not taking any more vehicles. The indication being Advantage was having difficulty finding one of its approved repairers with the capacity to carry out the work.

A lack of capacity within Advantage's network of preferred repairers isn't Miss W's fault. She was told by the garage she visited, that her car wasn't roadworthy. She needed access to a car so that she could work. In these circumstances I think she acted reasonably to mitigate the delay in Advantage arranging repairs, by arranging an alternative garage to complete the work.

I asked Miss W how long she was without her car. She says she doesn't have records to confirm this, but thinks it was for around a week whilst the repairs were carried out.

I can see from Miss W's policy terms that a courtesy car is provided when a vehicle is being repaired by Advantage's nominated repairer. This didn't happen here. But this is because of a delay on the part of the business. Miss W was willing to use Advantage's nominated repairer, but because of the delays she decided to use an alternative garage. This course of

action was also suggested to her by Advantage. In these circumstances I think it's fair that the business compensates Miss W for the loss of use of her car whilst it was being repaired.

I've also thought about the distress and inconvenience Miss W was caused by the delay in Advantage arranging the repairs, and when driving a damaged car. Miss W was able to source an alternative garage, but there were several weeks of delay prior to getting to this point. In these circumstances I agree with our investigator that Advantage should pay Miss W £150 compensation in addition to the £50 it has already paid.

I've also thought about Miss W's comments that she was charged for changing address unfairly.

The premiums an insurer charges and how it calculates the risk involved, isn't something our service can influence. Every insurer has its own appetite for risk and its own way of calculating premiums. A customer's address will be a factor in any risk assessment. Some postcodes are deemed riskier than others. This is why Advantage says an additional premium was charged when Miss W told it she'd moved address.

That said I can look to see that Advantage treated Miss W fairly. By this I mean it should apply the same approach to calculating Miss W's premium as it would any other customer in these same circumstances.

We asked Advantage for its underwriting information to show that it had treated Miss W fairly. It provided some information that showed an increased premium was applied. But this didn't clearly show the increase in Miss W's premium was calculated in line with Advantage's underwriting criteria. We asked if it had more information it could provide to show the calculation behind the premium increase. But it didn't respond with any further information.

As Advantage hasn't shown it increased Miss W's premium fairly, it should refund this amount plus 8% simple interest, from the time this was paid until it is refunded.

I've considered Miss W's concern about the increased monthly payment she had to make. Based on the records provided her monthly premium was increased because of a missed payment. Advantage has explained this outstanding amount was spread over the remaining months of the policy term.

It's Miss W's responsibility to ensure payments are provided on time. Based on what I've read I don't think Advantage acted unfairly in relation to this point.

In summary, I don't think Advantage treated Miss W fairly due to the delays in arranging repairs, and for the lack of a replacement vehicle. And it hasn't shown it treated her fairly when increasing its premium for her change of address. Because of this Advantage should pay Miss W £150 compensation and refund its premium increase with 8% simple interest added.

My final decision

My final decision is that I uphold this complaint. Advantage Insurance Company Limited should:

- pay Miss W £150 in compensation in addition to the £50 it has already paid; and
- refund Miss W the additional premium it applied for the change of address plus 8% simple interest from the time this was paid until it's refunded - If Advantage considers that it's required by HM Revenue & Customs to deduct income tax from that interest,

it should tell Miss W how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 9 August 2023.

Mike Waldron
Ombudsman