

## **The complaint**

Mr H is unhappy with how Advantage Insurance Company Limited dealt with a claim on a commercial motor insurance policy.

## **What happened**

The details of the complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on providing my reasons for my decision.

## **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 agree with the conclusion reached by the investigator that the complaint should not be upheld. I do so for the following reasons.

- Mr H confirmed he was involved in an incident, and a claim for costs was received from a third party, so it is correct that while the claim was being investigated this was recorded against his policy as a 'fault' claim. And as would usually happen, this then had an impact on his no claims discount (NCD) entitlement and it factored into the cost of his premium. So, I don't think Advantage did anything wrong in recording the claim like this while it was still being investigated.
- Advantage has admitted an error in settling the claim in February 2023 and making a payment to the third party. It confirms it had sufficient information to challenge the costs that were being claimed but did not do so. In recognition of this error, in April 2023 it changed the claim to 'non fault, notification only' and reinstated Mr H's NCD entitlement. This reduced the premium Mr H needed to pay and he received a refund.
- I understand Mr H found the claims process stressful, unfortunately claims can go on for quite a long period of time especially where there is a dispute. When considering the level of compensation to award I have to consider what Advantage did wrong here, which was to close the claim in February 2023. Mr H did challenge this, which I recognise would have been stressful, however I have to consider whether what Advantage did to put right its error is sufficient.
- Had Advantage not settled the claim in February, the claim would still have been registered as a fault claim, which as I have explained above is correct. So this would have continued to have an impact on Mr H's NCD and premiums until the matter was resolved. So the fact it took two months for Advantage to recognise its error and change this to 'non fault, notification only' has little impact. Mr H's premiums were recalculated, as is normal practice when a claim is closed, and in this case, he received a refund of premium.
- As Mr H admitted an incident took place, there would always have been a record of this placed on the claims file. So even if the third party hadn't claimed and this

situation had not occurred, the least Mr H would have had recorded was a 'notification only' claim. So, I think Advantage has acted reasonably here in recording this claim as such.

- Advantage awarded Mr H £100 compensation which overall I think is fair. As I have explained above, the timeframe between Advantage making an error and putting things right was relatively short. And I think it more likely than not the vast amount of Mr H's frustration came from the circumstances of the underlying claim itself.
- The fact Advantage paid out to a third party here has no impact on Mr H. It is not registered against his claims record and as such, it is simply a commercial loss to Advantage due to its own error. I certainly wouldn't expect Advantage to increase the compensation amount to Mr H just because it incorrectly paid out more than that amount to a third party.

For the reasons above I do not uphold this complaint. I think Advantage has recognised the error it made and has made fair and reasonable steps to put things right.

### **My final decision**

My final decision is that I do not uphold Mr H's complaint against Advantage Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 December 2023.

Alison Gore  
**Ombudsman**