

The complaint

Mrs A complains about how Advantage Insurance Company Limited (“Advantage”) handled a claim on her motor insurance policy.

What happened

Mrs A had a motor insurance policy with Advantage. In October 2022 Mrs A’s car was damaged and she reported a claim to Advantage on 22 October. When Mrs A made her claim, she was asked whether she wanted a courtesy car, which she was entitled to under her policy. She said she didn’t need one.

Her car had been damaged in a way that meant the locks needed to be changed.

Advantage had this work done by one of its approved repairers. Whilst the car was at the repairer, Mrs A told Advantage she now needed a courtesy car, but it couldn’t supply one.

Mrs A had to chase the repairs up with both Advantage and its repairer because they didn’t keep her up to date.

Because her car was waiting for parts to arrive and Mrs A didn’t have a courtesy car, she used public transport extensively which she says was expensive and stressful.

She complained to Advantage. It paid £60 for her costs. The car was returned to her on 4 January 2023 but the locks didn’t work properly. Advantage sent a locksmith who couldn’t fix them, so her car was taken to another repairer in February to finally fix them.

Advantage paid Mrs A a total of £215, made up of £140 compensation and £75 for her travel costs.

Mrs A remained unhappy and brought her complaint to this service. She complains about the poor communication with her and the extra costs and stress she’s had from not having a courtesy car. She doesn’t have receipts for the extra costs she’s had as there have been so many.

Our investigator looked into it and upheld it. She said she thought Advantage should have supplied Mrs A with a courtesy car, so she thought Advantage should pay for Mrs A’s loss of use of her car from 5 November to 4 January at £10 per day, less the £75 it had already paid her for transport costs, which she calculated at £515.

Advantage replied to the view and asked for extensions to our deadline. But it then didn’t respond. Mrs A accepted it. Because Advantage didn’t respond, this complaint has been passed to me to make a final 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.

It's my understanding from the file that the repairs to Mrs A's car aren't yet complete. She's asked this service to consider this as part of her complaint against Advantage. But I can only consider issues that she's raised with Advantage and that it's provided her with its final response.

So I'm not going to be able to respond to that part of her complaint, and she should raise it as a new complaint with Advantage assuming she is unhappy with how it has continued to handle her claim. She's then free to bring her complaint to this service if she remains unhappy.

Having read the file, I'm upholding Mrs A's complaint.

I can see that when Mrs A reported the claim, she didn't think she needed a courtesy car. About 12 days later, she realised that she did, and she asked Advantage for one.

When she initially didn't ask for a courtesy car, Advantage said this meant her car was sent to one of Advantage's repairers who perhaps had space to do the work, but couldn't provide the courtesy car facility. In this way, perhaps it would mean that the work would get done faster but with some inconvenience to Mrs A.

Then she asked Advantage for a courtesy car, which was part of the cover under her policy. I've looked at the policy wording and I can't see that asking for a courtesy car later isn't allowed.

I can appreciate it's probably not convenient for Advantage to have to work out how to supply a car during the repair process, but I also think it's fair to say that it must have happened in the past and I think it's reasonable for Advantage to have a process and be able to provide Mrs A with the solution that she had paid for.

During this time, Mrs A was having to chase Advantage and its repairer for updates. I can see there were delays awaiting parts too which Advantage has said is part of ongoing global supply issues. Advantage has also said it couldn't supply a courtesy car due to a shortage of vehicles. It says both issues mean the problem was out of its hands.

But it did say its claims service hadn't been good enough and it paid £140 compensation in total for it, plus £75 in total for Mrs A's travel costs.

I've thought about Mrs A's situation. It's this service's guideline that when a customer is entitled to a courtesy car, as in this case, and Advantage hasn't been able to supply one, a fixed cost of £10 per day should be paid for the customer's loss of use. I can see Advantage has also paid some of Mrs A's travel costs, so I think it's reasonable those are deducted.

And I think it's fair to say Mrs A was inconvenienced from 5 November to 4 January. I understand Mrs A has accepted £515 as the total for her loss of use of a car, so that will stand.

I've also thought about Advantage's compensation for its service during the claim. I can see Mrs A's evidence says she has been suffering ongoing stress from its poor communication, not providing her with updates and its repairer's unhelpful attitude towards her. Taking everything into account, I think Advantage's earlier payment totalling £140 is fair and reasonable, and in line with this service's guidelines.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. I direct

Advantage Insurance Company Limited to pay Mrs A:

- An additional £515 for loss of use of her car.
- £140 for her distress and inconvenience. It's my understanding that this amount has already been paid.

Advantage Insurance Company Limited must pay the amount within 28 days of the date on which we tell it Mrs A accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 3 August 2023.

Richard Sowden
Ombudsman