

The complaint

Mr B complains about the way Advantage Insurance Company Limited (“Advantage”) handled a claim on his car insurance policy and the impact it’s had on his premiums.

What happened

Mr B had car insurance cover with Advantage. The policy was a joint one, and Mr B was a named driver on his wife’s policy.

In November 2021 he was hit from behind by a third party and he made a claim.

Advantage kept the claim ‘open’ as it wasn’t able to recover its losses fully from the third party who collided with him.

This meant that Mr B had to declare he’d had a ‘fault’ claim to his subsequent insurers. He’s asked these insurers what impact this has had on his premium and it’s told him it’s cost him an extra £89.86 this year.

Mr B’s wife also complained about how Advantage handled the claim and its impact. Her complaint reached this service and has already been dealt with separately.

Mr B complained to Advantage about the length of time it was taking to settle the claim and the impact on him. It didn’t respond directly to his complaint, but it responded by writing to his wife. Mr B wasn’t happy about this and he made a further complaint.

Mr B approached this service. He asks that Advantage pays for his increased premium (£89.86) and apologises to him for its service.

Our investigator looked into Mr B’s complaint and said she could examine the delays in the claim only from December 2022 to March 2023 when Advantage issued its final response. This was because the earlier part of the claim and its impact had already been considered under Mr B’s wife’s earlier complaint.

She also considered Advantage’s complaint handling as an ancillary part of his complaint about its handling of his claim.

She didn’t think it would be upheld. She thought Advantage had provided evidence about why the claim took time to settle. And the impact of the claim being ‘open’ was for Mr B to discuss with his current insurer. She looked at the way Advantage had handled his complaint and said she thought its service could have been better, but she thought the impact on Mr B was minor as he was aware of his wife’s complaint and how it had progressed.

Mr B didn’t agree with the view and asked that his complaint was reviewed by an ombudsman, so it 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.

I'm not upholding Mr B's complaint and I'll explain why.

Firstly I'll deal with the outstanding claim. I can see from the file that Advantage said it recovered its costs in April, and the claim was closed in August 2023.

Mr B has said it was a "simple" claim for which he was clearly not at fault. It's important he understands that the word 'fault' relates to whether an insurer has recovered its costs from a third party. And in Mr B's case, Advantage struggled to complete this process.

I can see Mr B says Advantage should have been demanding payment every two weeks from the third party. But it's also the responsibility of an insurance company to mitigate its costs and it can reasonably choose how it does this. I don't think this is unfair.

Advantage said it had received partial payment around the time Mr B complained, and had to instruct a solicitor to recover the remainder. Once it had done this, it would be able to 'close' the claim, which in turn would allow Mr B to update his current insurer.

I've looked at Advantage's actions in how it dealt with his claim from December 2022 to March 2023 and I don't think they were unreasonable.

In his response to the view, Mr B has said he was able to recover £35 from his next insurer by updating his information. If he's unhappy about the amount he's received, he's free to make a complaint to that insurer, and this service in due course if he remains unhappy.

Mr B has also raised issues about the way the insurance industry operates. He thinks it's unfair that he, effectively, had to carry some additional costs until the claim was settled. This service isn't the regulator. We're an informal dispute resolution service. If Mr B has further comments about the industry then he's free to approach the regulator, which is the Financial Conduct Authority.

He also says he is still waiting for a response from Advantage about his complaint. I think it would be useful for Mr B to understand why Advantage wrote to his wife seemingly in response to his complaint. Under her policy with Advantage, she had full authority for it. In other words, when an event took place under it, she would be the person notified. The outcome of this is, Advantage emailed her (which was her communication preference) instead of writing to Mr B (which was his communication preference).

I think it's fair I say Advantage should have done better here, despite what it's said about the way the policy was set up. It seems to me that the fair response would have been for it to respond to Mr B telling him why it was carrying out the actions it was.

I've considered the impact on Mr B. From the evidence I have, he was aware of his wife's complaint and it seems likely this was reciprocal. And although I think Advantage could have improved its response, I can't see there's been a detriment to Mr B caused by its handling of his complaint.

Mr B has also raised with this service that he thinks Advantage may have contravened the Data Protection Act by writing to his wife rather than him. We're not the experts on data protection and the General Data Protection Regulations. But I've looked into what Mr B has said about his data being shared with his wife and again I can't see a detriment to him as the file seems to show me that information was being passed between them about the claim and complaint.

So taking everything into account, I can't say Advantage handled the claim or his complaint unfairly and so I don't uphold this complaint.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 January 2024.

Richard Sowden
Ombudsman