

The complaint

Miss S has a motor insurance policy with Advantage Insurance Company Limited. She says she got poor service from it after she called to report an accident.

What happened

Miss S's car was hit whilst it was unattended, by a car that was being chased by the police. They told Miss S at the scene that they'd cover her repair costs. But Advantage's advisors noted that Miss S's car wasn't damaged by the police, so they thought that wasn't appropriate. The advisors said she could make a claim on her policy and pay the excess (which she might be able to recover later) or she could wait to see if there was an admission of liability. The advisors thought that as the police didn't cause the damage (and the other car had cloned plates, so it was probably stolen) there was unlikely to be a valid claim against another insurer.

Miss S's car had already been taken to her garage. Advantage said if she claimed on her policy and it was repaired there, the policy excess would be higher than the standard excess payable if she used one of its approved repairers. Miss S didn't want to pay an excess at all, as she had played no part in the accident. Advantage then instructed an agent that deals with non-fault claims (and normally provides hire cars) to see if it could assist Miss S. The agent accepted the instruction, but then said it couldn't proceed without an admission of liability from another party. Although her garage was ready to start the repairs straight away, Miss S wasn't sure what to do, so there was delay until she chose which option to take.

Meanwhile, Miss S had complained to Advantage shortly after first contacting it and then again on 31 March 2023 (a week after the accident). She didn't like the way the claim was being handled and said she'd been given incorrect information. Advantage offered her £30 compensation, but Miss S said the poor service continued.

One of our investigators reviewed Miss S's complaint. He said he thought the police had given Miss S the wrong advice and that Advantage had advised her correctly. He didn't think Advantage had acted unreasonably in making its compensation offer. In response, Miss S said Advantage had made many errors. She said she was told initially in error that she had motor legal protection, and that she had to submit her details twice. She said she was given the wrong information about Advantage's agent and then told it didn't have enough details from her for it to proceed. She said one advisor had tried to force her to close the claim. And she said she was forced to use her own garage, as she was told an approved repairer wouldn't be available for four weeks. She thought Advantage's overall service was poor, so £30 compensation wasn't enough. The complaint was then passed to me for review.

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 don't intend to address every point Miss S has made. Instead, I'll focus on what I think are the main issues.

Miss S's expectations

Given the advice from the police, Miss S expected the repairs to be done quickly and at no cost to her. I think that was a reasonable expectation at the time. So when she reported the accident to Advantage, she couldn't see why it challenged what the police had said and gave her conflicting advice. She noted that all the options Advantage set out meant cost and inconvenience for her, even though she wasn't at fault, so she wasn't happy with them.

Advantage accepted that Miss S had done nothing wrong. But I think it told her correctly that she was likely to have a fault claim on her record, which meant a reduction in her no claims discount ('NCD') and her having to pay the policy excess to get her car repaired. It said if she claimed on the policy she'd have to wait for an approved repairer (and would then only get a small courtesy car). And if she used her own repairer, she'd also have a claim on her record and a loss of NCD – plus no transport during the repair process and a higher policy excess to pay.

I think it's clear why Miss S was upset when Advantage told her about these options - and why she was incredulous about the costs and inconvenience they presented, given that she was an innocent party. Many consumers would have had the same reaction. But I think Advantage was obliged to give Miss S the facts and to try to manage her expectations by setting out the unfortunate reality of her situation.

Advice on liability

In my opinion, it was appropriate for Advantage to inform Miss S that she'd been given the wrong advice by the police, not only at the start, but also when she called them later to check the issue. I think the much less welcome advice she got from Advantage was correct in all major respects - as was to be expected, given that insurers deal with motor liability claims every day. As Miss S was so reluctant to accept Advantage's view, I think it was fair for it to suggest initially that she should try to get a formal letter from the police about their stance on liability, rather than presenting a claim to the police, when it didn't think that was appropriate. I don't think Advantage was trying to be unhelpful to Miss S, as she assumed.

Setting out Miss S's options

Having listened to the call recordings provided by Advantage, I think its advisors told Miss S what her options were early on in the claims process. It pointed out from the start that she could claim on her policy and wait for one of its repairers to become available - or claim on her policy and use her own garage straight away. It also told her that if she went ahead and there was no admission of liability from another party later, she could contact the *Motor Insurers Bureau* ('MIB'). The MIB deals with claims against uninsured drivers and may have been able to assist her with the policy excess.

Advantage also said Miss S could wait for an admission of liability instead, but it pointed out that until that happened (*which it might not*) her car would remain unrepaired, and she'd be without transport. It also told her about the non-fault referral route through its agent. That route wasn't successful, but suggesting it was an attempt by Advantage to assist Miss S.

I don't think there's any evidence that Miss S was forced to use her own garage, as she's suggested. In my opinion, it was Advantage's role to advise her of all the options (and their pros and cons) so she could make an informed decision about what to do. I think it did that. And Miss S had made it clear early on that she wasn't keen to use an approved repairer anyway. Her garage was approved by her car's manufacturer, which was important to her. A manufacturer-approved garage couldn't be guaranteed from Advantage's network of repairers. So I think Miss S took the option that was the most acceptable one to her.

Alternative transport

Miss S would have had a courtesy car had the repairs been done by an approved repairer, but it would have been a 'class A' vehicle that was smaller than her own car. That's all she was entitled to under the policy, but she was adamant that a small car wasn't acceptable.

Advantage explained to Miss S that a larger car was only available through hire (from its agent, on a non-fault basis). But that wasn't an option without an admission of liability from another party. That's because – without such an admission 'up front' – Miss S would ultimately have been liable to pay the full cost of any hire provided by the agent.

Although I understand why Miss S wasn't happy with the transport options, and why she assumed that Advantage wasn't helping her, I don't think it was at fault. All Advantage could do was to advise her correctly about the replacement vehicle situation, which it did.

Advice given in calls

In most of the calls with Advantage I think Miss S was given the right information by its advisors. But I can see that the situation would still have been confusing (as it would have been for many consumers). She spoke to a lot of advisors, and the advice they gave wasn't easy to follow, because the situation was complicated. I think some advisors gave slightly different advice to others – or presented it in a different way. And I think the advice from the police was at the forefront of Miss S's mind throughout. As she had decided it was correct, it follows that she thought the conflicting advice from Advantage must be wrong.

Advantage accepted that Miss S was given some incorrect information. She was told in error that she had motor legal protection, when she hadn't bought it with the main policy, and her expectations were raised by that. But there was no other consequence of the advisor's inaccurate statement, in my opinion. I think there was a lack of clarity at times during some other calls, when Miss S and advisors spoke at cross purposes or didn't fully understand each other. Although I can see that this would have led to some frustration for Miss S, I don't think there's any evidence that any confusion in the calls affected the outcome of her claim.

Miss S mentioned several times in her comments to us that one advisor had tried to force her to close the claim, which I think is a serious allegation. She said he was insistent about it. I've listened to the call, during which Miss S sounded frustrated and upset. I think that was probably because the advisor disputed the advice given to her by the police and repeated what other advisors had said. Miss S told him that Advantage had done nothing to assist her and queried with him whether the issue was that it wanted money from her. The advisor said if Miss S believed that to be true, he could close the claim – an offer she declined immediately. I think the advisor's tone was a little abrupt, but in my opinion, he only offered Miss S an option. I don't think he tried to push her into closing the claim.

In summary

Unfortunately, consumers sometimes suffer unduly in situations like this. I think Miss S did, given how stressful she found the process. The outcome of a claim isn't fair to a consumer at times either, especially if an uninsured driver is involved. But that doesn't necessarily mean the insurer is at fault. Despite my great sympathy for Miss S, given the very difficult position she found herself in, I think Advantage acted reasonably overall in dealing with her claim. I think some of its service could have been better, but it tried to put that right. Miss S still faced costs she wouldn't have had to deal with in a 'standard' non-fault claim, but I think that was due to the unfortunate circumstances around the accident. So I don't think it would be fair and reasonable for me to require Advantage to offer Miss S further compensation.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 15 September 2023.

Susan Ewins

Ombudsman