

The complaint

Mr O says Advantage Insurance Company Limited provided poor service when he made a claim on his motor insurance policy, causing him financial detriment.

What happened

Mr O made the claim on 12 February 2023, after his car was vandalised. There was a short delay in Advantage's agent collecting the car. A dispute between Advantage and its agent about whether the car was a total loss caused another short delay. The agent then had problems in finding a garage to take Mr O's car and provide a courtesy car. That was resolved by 23 February 2023 - but meanwhile, five days after making the claim Mr O had instructed his own garage. A few days later, that garage said it couldn't take his car after all. Mr O then instructed a second garage and it collected his car on 2 March 2023.

Mr O had complained to Advantage on 20 February 2023 about the initial delays and the poor service he got from its agent. Advantage agreed the service had been unsatisfactory and offered him £125 for distress and inconvenience. Later, it agreed to waive the £250 extra policy excess payable for using a repairer not in its network. Advantage said it would review any evidence Mr O submitted of transport costs. He thought it should pay for all his taxi fares, plus the hire car charges he'd incurred. As it didn't do so, he complained to us.

One of our investigators reviewed Mr O's complaint. He thought Advantage had acted reasonably. He said Mr O wasn't entitled to a courtesy car, as his vehicle hadn't gone to one of Advantage's garages for repair. He also said that as Mr O had instructed his own garage very shortly after making the claim, Advantage was no longer responsible for providing a replacement vehicle for him. And he noted that under the policy, Mr O wasn't entitled to car hire unless his car was a total loss or stolen, which wasn't the case. The investigator thought Advantage had resolved the complaint fairly.

Mr O said he was upset about other issues, especially Advantage's delay in instructing an independent engineer to approve his garage's repair estimate. He said that led to a delay in his garage providing a courtesy car. The investigator said a delay was inevitable once Mr O instructed his own garage, as it meant Advantage had to arrange for a review of that garage's repair estimate. As there was no agreement, the complaint was passed to me.

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.

Initial delay

I think the problem Advantage had in finding a garage and a replacement car were caused by the limited availability of both nationwide. Following the pandemic, fewer garages are available for repair work, the demand for their services is greater and there are fewer

courtesy / hire cars around than previously. These factors are largely outside the control of insurers, so I don't think Advantage can be blamed for the whole delay. It compensated Mr O for part of the delay and for not being more proactive, which I think was reasonable. I also think it's fair to say that - had Mr O not used his own garage, it's more likely than not he'd have had a replacement car sooner than he did, as the repairs would have started earlier.

Replacement car

The policy says a replacement car will only be provided when a consumers' car is being repaired by one of Advantage's garages. It says if a consumer instructs their own garage, an extra £250 policy excess will be charged. And the substitute vehicle cover (bought as an 'extra' to the policy) only applies if a consumer's vehicle is damaged beyond repair. So, having chosen to use his own repairer, Mr O wasn't entitled to a courtesy car or a hire car under the policy, and Advantage could have charged him £250 extra.

Advantage's agent tried to find Mr O a hire car anyway, but in error it didn't look for one with automatic transmission (as needed by Mr O) so he wouldn't have been able to drive it. I don't think that error is relevant, as Mr O had instructed his own garage a week previously, so Advantage wasn't responsible for providing him with transport anyway.

Mr O's transport costs

I think Advantage made it clear to Mr O that if he hired a car it wouldn't cover the charges, so when he did so, it refused to reimburse him. In my opinion, that was reasonable. There was no provision for hire under the policy in the circumstances of the claim - and Mr O had been put on notice that he'd have to bear the cost of any hire himself.

In its final response to Mr O's complaint, Advantage said it would review his *other* transport costs, which included taxi fares. Recently, it confirmed that it hadn't refunded any taxi fares. It said travel costs aren't payable within the first seven days after a claim, to allow time for Advantage to instruct a garage and find a replacement car. It also said as Mr O had instructed his own garage within the seven-day period, it was no longer responsible for his transport. I think that decision was reasonable in the circumstances.

On 22 March 2023 Mr O queried how long it would take for his garage's repair estimate to be reviewed by the independent engineer. He said his garage wouldn't provide a replacement car until the repairs were authorised, and meanwhile he was paying for transport. An advisor told him yet again that Advantage wouldn't be covering any hire charges – but he said he was still reviewing Mr O's taxi fares and that he would be arranging to reimburse them.

The repairs were authorised by 31 March 2023, and Mr O's garage should have provided a courtesy car from then on. It seems it only had cars with manual transmission, which were unsuitable for Mr O. He submitted more taxi receipts to Advantage in April 2023. Although Advantage hasn't referred to these receipts, I don't think it was responsible for Mr O's transport costs after his garage let him down. But I think it was poor service for Advantage to raise Mr O's expectations about taxi fare refunds in March 2023 and not to explain why it didn't pay those that were under review then, or the ones from April 2023.

Delay in authorising repairs

Mr O's second garage issued a repair estimate on 7 March 2023. Although Advantage instructed a firm of independent engineers to review it promptly, for some reason the instruction wasn't received by the firm and had to be re-sent. The subsequent delay in the repair authorisation meant Mr O remained in hire for longer than he'd hoped.

On 17 March 2023, Mr O spoke to one of Advantage's advisors and then to a manager about the situation. Advantage's file notes show that Mr O wasn't happy with the delay – but they also say he was satisfied with the explanation he was given (and with the promise of a new claims handler). The manager recorded that Mr O didn't make a formal complaint, so no further action was taken. As Advantage thought the issue was resolved informally at the time, and it wasn't dealt with as a complaint issue, I can't review it. If Mr O disagrees with Advantage's opinion on this matter, it's open to him to raise it with Advantage.

Interim solutions

Mr O says he suggested reasonable interim solutions to Advantage to avoid running up hire and other transport costs (including a request for it to agree to add another car to the policy temporarily, at no cost to Mr O). Advantage didn't agree to his proposals, which he thinks was unreasonable. But insurers only have a duty to ensure they keep to the policy's terms and conditions and that they act fairly and reasonably. There's no obligation to take on board suggestions proposed by a consumer. I understand why Mr O was disappointed, but I don't think Advantage acted unreasonably in rejecting his proposals.

In summary

Advantage accepts that it could have handled the claim better and that it could have been more proactive at times, but I think it made a reasonable attempt to resolve the problems caused by or contributed to by its actions. I think Mr O's decision to instruct his own repairer so quickly added to the delays at the start and also later, when independent authorisation was needed. I don't think Advantage acted unreasonably in not covering Mr O's travel expenses - and I think it acted fairly in paying him £125 compensation for distress and inconvenience and in waiving the £250 extra policy excess he should have paid. In my opinion, £375 in total is sufficient to deal with the issues Mr O raised in his complaint.

Mr O faced disruption and inconvenience after his car was damaged, which must have been very frustrating for him. I think it's understandable that he was distressed by the time it took to get the repaired car back and by the costs he ran up in the interim. But as I don't think he's shown that Advantage acted unreasonably, I can't uphold his complaint.

My final decision

My final decision is that I don't uphold this complaint. Under the Financial Ombudsman Service's rules, I must ask Mr O to accept or reject my decision before 31 January 2024.

Susan Ewins

Ombudsman