

The complaint

Miss L has complained about Advantage Insurance Company Limited. She isn't happy about the way it dealt with a claim under her motor insurance policy.

For ease of reading any reference to Advantage includes its agents.

What happened

I looked at this case and provided my initial thoughts in my provisional decision as follows;

Miss L's car was stolen and she made a claim under her insurance policy. When Advantage looked into the claim it initially turned it down as the last driver of the car wasn't a named driver on the policy. But it changed its stance on this as it thought that this wasn't material to the circumstances surrounding the theft and it went on to settle the claim and write Miss L's car off.

As Miss L wasn't happy about this and the way it dealt with her claim she complained to Advantage about this. It answered three separate complaints to Miss L and upheld two of them – it apologised for some of the calls dropping when she called; for the general customer journey she had faced; and for not keeping her fully informed when her car was impounded by the police after the theft. But Advantage didn't feel it had done anything wrong when it initially turned down the claim. As Miss L remained unhappy about this she complained to this Service.

Our investigator looked into things for Miss L. Although she accepted Miss L's customer journey had been poor, and that Advantage could've kept her up to date she thought its attempts to put things right by offering £75 compensation was fair.

As Miss L didn't agree the matter has been passed to me for review.

What I've provisionally 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 have a fair degree of sympathy for the position Miss L found herself in after her car had been stolen. I say this as it must have been very stressful to have her claim declined and then to have faced a poor customer journey alongside the fear of thinking her car could be crushed by the police if it wasn't collected. I know Advantage has acknowledged some of its failings here, but I don't think its offer of compensation goes far enough. I'll explain why.

Advantage has apologised for the delay in notifying Miss L that her vehicle had been recovered and offered her £75 by way of compensation. But Miss L has had a particularly difficult time in dealing with this claim especially as her claim was declined at one stage. I agree that Advantage is entitled to investigate claims, as it has in this instance, but having done so it incorrectly turned down the claim. And I think this must have been very worrying

for Miss L. Fortunately the decision to decline the claim was reversed quite quickly but it must have been very stressful for Miss L all the same.

Plus, Advantage has acknowledged and apologised for some additional poor service in relation to calls dropping, although it couldn't be sure from its investigations that there was any problem on its side that caused calls to drop. However, I think it should offer some compensation for this as well as opposed to just offering an apology.

Given all of this, I think Miss L has been caused a fair degree of stress, worry and inconvenience at a time when she was already suffering with her health. So I think Advantage should pay Miss L £175 compensation as opposed to £75. I know Miss L would like a lot more compensation, but our awards are generally modest, and it isn't the role of this Service to punish businesses when they get things wrong.

Finally, I can see that Miss L has raised an additional point about whether her car should've been written off in the first place. But Advantage hasn't had the opportunity to consider this point so she will have to raise this with Advantage in the first instance and she can advance this with our Service if she remains unhappy with its response.

Replies

Miss L responded and said that although she wasn't entirely happy with my provisional decision, she was thankful for the consideration of her case and the uplift of a further £100 compensation (£175 total). Miss L reiterated a number of issues she had already raised and questioned why she was having to continue to pay her policy premium when the car had been written off.

While Advantage said that it didn't think the level of compensation should be lifted. It reiterated that the reason the claim was declined was that an uninsured driver had been allowed to use the car and so didn't feel it was wholly responsible for the trouble and upset caused to Miss L.

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 remain of the view that the complaint should be upheld, and the compensation should be lifted from £75 to £175. I can understand the further points raised by both sides, but it doesn't affect my original thinking on this case.

I can understand why Miss L feels she should be awarded more compensation and the impact all this had on her poor health as well. But I've taken this into account when I considered the complaint originally. And I know Miss L doesn't want to pay her premium for the policy as the car has been written off. But, in effect, the full premium was due once there was a claim on the policy so I can't say Advantage acted unfairly here.

For its part, Advantage doesn't accept that the level of compensation should be increased and highlights again the reason for the initial decline. But this has already been considered and it has accepted that it got things wrong when it declined the claim initially, so I'm surprised it has looked to bring this back up now. And, ultimately, it answered three separate complaints from Miss L and upheld two of them and so I think it should pay Miss L £175 compensation in acknowledgement of the poor customer journey Miss L faced, especially given her poor health. Miss L was clearly stressed about her car being impounded and not being kept up to date by Advantage about this, the poor customer service she faced

(including the calls dropping) and the clear error (and stress caused) in turning down the claim.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require Advantage Insurance Company Limited to pay Miss L £175 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 5 October 2023.

Colin Keegan
Ombudsman