

The complaint

Mr M complains that Advantage Insurance Company Limited (Advantage) cancelled his motor insurance policy in error. He also complains that an incident involving his brother has been incorrectly recorded and is therefore affecting the premiums he has to pay. Mr M is also unhappy with the overall service he's received from Advantage.

What happened

On the 11 May 2018 Mr M entered into a multi-car insurance policy with his brother. This policy renewed a year later on the 11 May 2019. Mr M's brother had an accident on 7 April 2019 which he reported to Advantage the day after. It was recorded as a drunk driving accident.

As this type of accident was a direct breach of the terms and conditions of the policy, and as Mr M's brother was banned from driving as a result of the incident, the policy was cancelled. Mr M's policy was accidentally cancelled as well as his brother's. Advantage say they quickly corrected the accidental cancellation.

Mr M complained about the service he'd received from Advantage. Advantage upheld his complaint due to the policy being incorrectly cancelled and for the level of service provided. They offered £150 compensation for the inconvenience they'd caused. They said that Mr M's brother's claim didn't appear on CUE (Claims Underwriting Exchange) in his name.

But Mr M had evidence that the claim was recorded on the CUE database in his name. He tried again to get Advantage to look into this. Unhappy with their response, he brought his complaint to this service.

In his first view, our investigator felt that the £150 compensation Advantage had paid was sufficient compensation for the accidental cancellation and the poor service up to the point of Mr M's first complaint. But he recommended a number of other actions relating to the incorrectly recorded claim.

He recommended Advantage locate and correctly update the CUE record to ensure Mr M is not shown as being involved in the incident. He also asked them to recalculate all premiums they'd charged Mr M since April 2019 to ensure he'd been charged correctly. And he asked them to pay him additional compensation of £250 – leading to a total compensation of £400 - for the distress and inconvenience caused. Additionally, he asked Advantage to pay the difference between what Mr M should've paid on other insurances with other providers and what he'd had to pay due to the incorrect record on CUE.

Advantage agreed with part of this view. They said they'd look into CUE and amend any errors they found. But they disagreed that they should refund Mr M for any additional premiums he'd paid to other insurers, if he was able to get any overpayments due to the incorrect CUE record back from those insurers directly.

Advantage also wanted to understand why our investigator had suggested such a large

increase to the compensation they'd originally offered.

In his second view, our investigator agreed with Advantage that it wasn't fair for them to have to cover costs that Mr M could get back elsewhere. He explained why he felt a total of £400 compensation for the distress and inconvenience Advantage had caused Mr M was appropriate based on the information he'd had when writing his first view.

But he noted that since then, Mr M had provided a further medical explanation about the impact he feels the errors have had on him. So he now felt it'd be fair to increase the total compensation for distress and inconvenience to a total of £500 to acknowledge the severity of the impact of the issue. He also wanted evidence from Advantage confirming the error had been updated on CUE.

Advantage again disagreed with our investigator's findings on compensation. They said they shouldn't be held responsible for the breakdown in relationship between Mr M and his brother, but they should be held responsible for the failings he experienced, "*which is the issue with having CUE updated and it being incorrect in the first place*". They said £500 compensation is usually typical in cases which include financial impact.

As agreement couldn't be reached, this complaint has come to me for a final decision.

I issued a provisional decision on 14 May 2021. I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I intend to uphold this complaint. But I'm going to require a slightly different outcome. Advantage have shown us evidence which confirms that the error has been updated on CUE. And I'm going to require a different amount of compensation. I'll explain why.

Poor service and incorrect cancellation of Mr M's policy

Mr M's policy was a multi car policy. Although he and his brother had two separate vehicles and were two separate policyholders, Mr M was the primary policyholder because the policy belonged to him. Advantage have explained that when the drink driving claim was made, the policy was cancelled.

They've explained that the whole policy was cancelled in error, rather than just Mr M's brother's part. But when Mr M alerted them about this they investigated and reinstated Mr M's part of the policy. They apologised for their error and paid £150 in compensation for this aspect of Mr M's complaint. Mr M accepted their apology and explanation.

I agree with our investigator that this is fair and reasonable under the circumstances. So I won't be asking them to do any more on this. But I feel that the £150 compensation Advantage have already paid was only in respect of this issue.

Information incorrectly recorded on CUE adversely affecting claims history

It's clear from the evidence that Mr M has provided through his motorbike insurer that his brother's claim has been recorded on CUE under his name.

Advantage didn't acknowledge this in their final response letter. They appear to have checked their own claim record on CUE rather than doing a more detailed investigation. So they issued their final response stating there was no issue with CUE.

Mr M repeatedly told Advantage that there was an issue with his name being on CUE. He explained that he contacted another insurer when he was looking for a motorbike quotation. He explained that when he was asked if he'd been involved in any previous accidents, he responded in full. But that he was then asked about the accident involving his brother, which had been incorrectly attributed to him. Naturally he explained that this had nothing to do with him. But his premium was impacted anyway.

So Mr M called Advantage to report this. He says he was told that it couldn't be removed from the system. That must've been incredibly frustrating. Mr M asked Advantage that he needed them to revisit this aspect of his complaint so that the incorrect information held about him could be removed.

On 20 November 2019, two weeks after their final response letter, Mr M told Advantage that he'd received picture evidence from his motorbike insurer that proved the incorrect claim was still on CUE under his name on 19 November 2019. On 25 November 2019 Advantage asked Mr M to share that proof, but he didn't feel able to as his motorbike insurer had included a disclaimer stating the information wasn't to be disclosed to anyone else. Mr M again asked Advantage to address the outstanding issues from his original complaint. But I've seen no evidence that Advantage responded.

I note that in his communications with Advantage at the end of November 2019, Mr M explained that the outstanding issues were causing him serious stress.

It doesn't seem from the evidence I've seen that Advantage made any attempt to correct the CUE record, even when Mr M explained he had evidence that CUE held incorrect information about him. And even though he'd explained the stress this was contributing to.

It's clear that Advantage's continued miss-recording of the incident on CUE has increased the stress Mr M has suffered. Mr M has provided evidence to this service of the physical and mental impact the stress he's been under has had. I agree with Advantage that I don't have enough evidence to hold them responsible for the breakdown in relationship between Mr M and his brother. But I can see that in not resolving Mr M's clearly described problems in a timely manner they've caused him a lot of distress.

Advantage have offered an additional £75 compensation for the fact that the claim affected his future premiums. But they've not considered any compensation for the distress they've caused over a long period. Advantage told us on 5 May 2021 that they'd finally resolved the issues on CUE. They've now correctly recorded the claim against Mr M's policy – as he was the policyholder for the policy the claim was made against - but with his brother as the driver.

Taking everything into account, I intend to require Advantage to pay Mr M £250 in additional compensation for the distress they've caused him. I understand that Mr M may not feel this is fair given the stress he's been under. I'm sorry for what he's been going through, but I can't hold Advantage entirely responsible for his distress. It's impossible to say how much of his distress is due to the accident itself, and how much is due to Advantage's mismanagement of it afterwards. But I do hold Advantage responsible for failing to resolve this issue for such a long time after the event.

Other outstanding issues

Mr M has asked Advantage to remove any traces of his brother's accident that are against his name. Following their update to this service on 5 May 2021 I believe this has been done.

Advantage have said that they'd look at the previous and current years premiums to see if

there's a refund payable due to CUE not having been updated in a timely manner. They've said they'd then send Mr M a letter that he could use for any future insurer, explaining the situation. But I've not seen evidence that they've done that yet.

I agree that Advantage shouldn't have to refund Mr M for any overpayments he can get back from other insurers. But I consider that they should pay him back where that's not possible. But I will ask Mr M to provide suitable proof in that case.

Advantage have asked Mr M to provide policy documentation to show that his brother is not a named driver on his new policy. They've agreed to look into whether a refund needs to be calculated and to assess that. They've said that once this has been done, it would generate a letter that Mr M can use for any future insurer. But they note that if his brother is a named driver on any policy he will need to declare the incident under his brother's name.

Mr M has provided us with screenshots which show that his brother isn't on his policy. He's also told us that Advantage have this information already as he's still insured with them.

I note that Advantage told us on 5 May 2021 that they'll be contacting Mr M shortly to explain everything. I don't know if that call has taken place yet.

In summary, I acknowledge that Advantage have corrected the CUE record for Mr M. But I still intend them to take a number of other actions – listed below – to put things right.

I intend to ask Advantage to take the following actions to put things right:

- *Provide the explanatory letter they've promised for Mr M to use with any future insurer*
- *Assess and pay any refund due to Mr M from his policies held with them since April 2019*
- *Refund Mr M for any overpayments he can't get back from any other insurers, upon receipt of suitable proof*
- *Pay him an additional £250 for the distress and inconvenience they've caused him.*

Response to my provisional decision

Advantage said they understood that the remedial actions within my provisional decision would put Mr M back to the same financial position he would've been in. But they felt that the £250 I'd suggested for distress and inconvenience was too high, considering the remedial actions to be taken. They felt that as they'd already issued £150 compensation, a further £100 would be more appropriate than the £250 I'd suggested.

Mr M sent us further premium evidence, although he said that he won't be able to prove the overpayment he'd made for his initial motorcycle policy. He said that the fact that this complaint has taken over 18 months to resolve has meant he's out of pocket.

Mr M also said that Advantage have yet to get in touch with him to explain anything. Despite the fact that they offered to do this on 5 May 2021.

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.

Advantage have asked me to reconsider the additional compensation for distress and inconvenience, given they'd already paid £150. I've considered their request. But this complaint has taken over 18 months to resolve. This has caused prolonged stress for Mr M.

And even though Advantage promised on 5 May 2021 that they would contact Mr M to explain everything, they haven't. So I'm persuaded that an additional £250 for distress and inconvenience is warranted in this case.

Mr M provided some premium evidence to this service in his response. But he'll have to provide that information to his insurers to see if it's acceptable to them. If for any reason he can't get overpayments back from any insurer, he'll have to provide that evidence to Advantage instead.

Overall, no new information has come to light to change my opinion. So I remain of the view I set out in my provisional decision.

Putting things right

I require Advantage Insurance Company Limited to take the following actions to put things right:

- Provide the explanatory letter they've promised for Mr M to use with any future insurer
- Assess and pay any refund due to Mr M from his policies held with them since April 2019
- Refund Mr M for any overpayments he can't get back from any other insurers, upon receipt of suitable proof
- Pay him an additional £250 for the distress and inconvenience they've caused him.

Advantage Insurance Company Limited must pay the compensation within 28 days of the date on which we tell them Mr M accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

My final decision

For the reasons given above, I uphold Mr M's complaint.

I require Advantage Insurance Company Limited to take the actions detailed in the "Putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 July 2021.

Jo Occleshaw
Ombudsman