

The complaint

Mr L is complaining about the way Advantage Insurance Company Limited has handled a claim he made on his car insurance policy.

What happened

Mr L took out a car insurance policy with Advantage which he took out through a broker. In March 2023, Mr L was involved in an accident with a third party's vehicle. He reported the claim online. After doing so, the broker referred the claim to a third party – who I shall refer to as “E” – to handle the repairs and provide a hire car.

Mr L is unhappy as he said Advantage was pushing him to have a hire car provided by E under a credit hire agreement. But said he didn't want to use E as was concerned he could become liable for the hire charges if liability wasn't resolved in his favour. So he wanted a courtesy car that he was entitled to under the terms of his insurance policy unless Advantage could assure him he wouldn't be liable for the credit hire charges.

In September 2023 Advantage wrote to Mr L to say it was closing the claim as no one had made a claim. Mr L complained about this as he said he wanted to claim for the damage, but he wanted a courtesy car under the terms of the insurance policy.

Advantage said it was Mr L who had delayed the claim. It said he hadn't replied to emails it and E had sent. It also said Mr L didn't want to pay his excess which was the primary reason the claim couldn't proceed.

Our investigator upheld this complaint. She said, while the claim was initially referred to E, it's clear Advantage should have taken over the claim a lot sooner, given Mr L's clear concerns about using E. She also said Mr L clearly set out in August 2023 that he wanted to claim for the repairs and the repairer contacted Mr L on 7 September 2023 – a week before Advantage wrote to say it was closing the claim.

The investigator said, when considering the timeline of events and what has happened throughout this claim, she didn't think the claim progressed as it should have. She thought Advantage passing the claim back to E when Mr L was clear he wanted to use his own policy, has caused unnecessary delays, stress and inconvenience. And she thought Advantage should pay Mr L £350 in compensation.

Mr L and Advantage disagreed with the investigator's opinion.

Advantage said there had been a misunderstanding about what had happened. It said, while E does provide a credit hire service, it also uses E to manage repairs under the terms of the insurance policy. It said E tried to contact Mr L numerous times to try to progress the claim, but he never responded to them.

It said, when it did get a response from Mr L, it tried to make contact to discuss the next steps of the claim, but it said Mr L didn't respond. So it said it had no option but to close the claim. Advantage said it understands Mr L was unhappy as the same garage was contacting

him that had previously been assigned by E, however it explained E would still manage the claim on its behalf, but under the policy contract and not as a credit hire provider. It said E doesn't have separate garages to use for claims they handle as a credit hire provider against those under the policy contract.

Mr L thought the investigator had been biased towards Advantage. He said she hadn't taken into consideration all the points he'd raised about what had gone wrong throughout the claim.

As neither party agreed with the investigator, the complaint's been passed to me to decide.

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've decided to uphold this complaint and I'll now explain why.

First of all I should set out that in this decision I'm only considering the actions of Advantage or where E could be held to be acting on Advantage's behalf. Mr L has also raised a complaint about the broker's actions in referring him to credit hire in the first instance, which this Service is considering under a different complaint reference.

I've listened to all the telephone calls Mr L had with Advantage and the broker and also read all correspondence. I think Mr L had been very clear with his thoughts that he did not want to use a hire car provided under credit hire unless he was given assurances he wouldn't be liable for the hire charges. I haven't seen anything to show that Advantage ever clarified that. And in fact I can see one of the managers Mr L spoke to specifically said he would look to see if liability was being disputed and would call Mr L back, but that didn't happen.

Advantage says there was a confusion as it says E was not instructed as a hire car provider, but the call recordings do not support that. It's clear E was initially handling Mr L's claim as a credit hire provider. And, as I said, Mr L was unwilling to pursue the claim through this avenue without assurances that Advantage didn't provide. Throughout all calls Mr L set out he understood he was entitled to a courtesy car as provided by the policy and I think Advantage should have explored the option to continue with the claim in this way. Instead, there seems to have been a period of four months of inactivity on the claim and I don't think that's fair. Advantage has set out that this delay was down to Mr L not replying to E's emails. And I do agree Mr L could have been more pro-active, but at the same time Mr L had made it clear he didn't want to use E without assurances that Advantage didn't give.

It does seem the claim was unreasonably delayed until August 2023. Advantage's internal records suggest that Mr L said he wasn't willing to pay his excess or make a claim until liability was resolved, but I haven't seen anything to support that, or that Mr L was actually given that as an option. So I do think he was treated unfairly up to that point.

In August 2023 Mr L was able to speak with one of Advantage's claim handlers. Mr L reiterated his concerns, but also highlighted that the garage E wanted to use said it couldn't provide a hire car. I'm satisfied the call handler understood Mr L's concerns and I can see she contacted E to explain that Mr L wanted to continue with the claim and wanted a courtesy car. I can see Advantage asked E to perform this function.

It does seem E tried to contact Mr L by telephone, but was unable to reach him. However, I've also seen evidence that it contacted Advantage on 1 September 2023 to say:

“We have sent several emails over the last 5 months regarding the above vehicle and are yet to receive a response. Can you please provide a cancellation for the above claim until liability has been established? We have called the policyholder since the repairs were authorised in April and the policyholder will not arrange a [hire vehicle] due to liability issues.”

It seems to me that E didn't acknowledge what Advantage had requested – i.e. to use a garage that would provide Mr L with a courtesy car. Instead it continued to look to use the same garage as before – i.e. the garage Mr L had said couldn't provide a hire car. And I can see Mr L emailed the garage on 14 September 2023 reiterating his concerns surrounding the unavailability of a hire car. E and Advantage ultimately cancelled the claim again.

It seems to me that Mr L was clear throughout that he didn't want a hire car if there was a possibility he would be liable for the damage and wanted to have a hire car. And Advantage and E seem to have taken this to mean that he didn't want to claim, but I haven't seen anything to support that. I think both Advantage and E on Advantage's behalf could have done a lot more to assist Mr L in the progression of this claim. And I think he would have claimed through his insurance policy as that was what he wanted to do in the first instance when he reported the claim. So he's lost out as a result.

The investigator thought Advantage should pay £350 in compensation. Mr L didn't think this was sufficient and, in summary, highlighted the following:

- Advantage and its representatives made comments surrounding his excess being waived and his No Claims Discount not being affected;
- He was continually stopped from having access to the courtesy car he was contractually entitled to receive;
- He didn't get the car repaired in the timely manner he was entitled to. And he said he ultimately paid £700 to fix the car himself.
- Advantage continually closed his claim down.

I'm aware I've summarised Mr L's submissions regarding this in a lot less detail than he has presented them. I assured him, however, I have read and considered everything he's said in this regard. My decision, however, focusses on what I consider to be the key salient points.

As I said above, I don't think Advantage and its representatives have treated Mr L fairly. He should have been given a choice during the claim process and he's clearly lost out as a result of this. And I understand he's since paid to fix the car himself, which he wouldn't have had to do had the claim been handled as it should have done from the start.

As I said Advantage says Mr L has unreasonably delayed the claim. I do think he could have been more pro-active in communicating with Advantage – and I note he acknowledges in one of the phone calls work commitments meant he was unable to do so – but the fundamental reason the claim took the time it did is because Advantage seemed to be continually pushing Mr L towards using a credit hire car, which Mr L made clear he didn't want to use. And I think this is the reason the claim took the time it did. Had Advantage given Mr L the option to have the repairs completed through the insurance policy, I think he would have done so and the car would have been repaired by May 2023.

However, I also need to think about the actual impact this matter has had on Mr L. In the telephone calls he had with Advantage, he set out that he was still able to use his car, so he wasn't without transport during this time. I appreciate it was frustrating for him to have to continually repeat his concerns and it's right Advantage compensates him for this. And as I said, he shouldn't have had to pay to fix the car himself. But I think the £350 compensation the investigator recommended is in line with what I would have awarded. So I think it's fair

compensation.

While I recognise Mr L has set out he paid to fix his car, I haven't seen anything to show he's raised this with Advantage previously. So he should contact Advantage directly to pursue this loss under the terms of the insurance policy.

My final decision

For the reasons I've set out above, it's my final decision that I uphold this complaint and I require Advantage Insurance Company Limited to pay Mr L £350 in compensation if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 September 2024.

Guy Mitchell

Ombudsman