

The complaint

Mr A complains that Advantage Insurance Company Limited (“Advantage”) unfairly recorded a claim as opposed to a ‘notification-only’ incident against his motor insurance policy.

What happened

Mr A says another motorist reversed into his car. The other driver took responsibility for the accident. He contacted Advantage to inform it of the incident. A couple of days later he called back to say he wanted this incident recording as ‘notification only’. This is because he was claiming against the third party’s insurer (TPI). Mr A says despite being told by Advantage that the record changed, it didn’t. He says he was also told this would have no impact on his premium, which was incorrect.

Mr A says Advantage should remove the claim record and reimburse the increased premium he paid to insure another vehicle.

In its final complaint response Advantage says that when Mr A called on 25 March 2024 it agreed to change the claim to a notification. It says its call handler didn’t respond to Mr A’s comment that the premium will not go up next year. It says he should’ve been told that a non-fault claim can still impact on premiums. It paid him £30 compensation to acknowledge this failing.

Advantage explains that it called Mr A on 14 May 2024 to say his claim was reopened. This is because it processed the instruction for a hire car before receiving his call on 25 March 2024. It says it paid for the hire car, which it needed to claim back from the TPI. Advantage says Mr A asked if this would affect his premium or no claims discount (NCD). It told him it wouldn’t affect the NCD but couldn’t say about the premiums.

In its complaint response Advantage says the record can’t be changed to ‘notification only’ as costs were paid on the claim.

Mr A didn’t think he’d been treated fairly and referred the matter to our service. Our investigator didn’t uphold his complaint. She didn’t think it was unfair that Advantage had recorded a claim in the way it had. She says information discussed over the phone had caused confusion. But she thought Advantage had done enough to put this right by paying £30 compensation.

Mr A didn’t accept our investigator’s findings. He says it’s not fair that he must now pay more for his insurance even though it was someone else’s fault for reversing into his car. Because he didn’t agree he asked for an ombudsman to consider his complaint.

It has 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.

Having done so I'm not upholding Mr A's complaint. I'm sorry to disappoint him but I'll explain why I think my decision is fair.

The crux of Mr A's complaint is how the accident from March 2024 was recorded. My focus here is on whether Advantage treated him fairly in this respect.

As well as making a record of the incident internally, Advantage shares information with the Claims and Underwriting Exchange (CUE) database. Most insurers are signed up to CUE and they must make an accurate record on the database of any incident whether it leads to a claim or not. This record must include any costs the insurer paid. Insurers use the information on CUE when deciding whether to offer cover and at what price.

Mr A doesn't dispute that when he first contacted Advantage a claim was set up against his policy. The date of the accident was 23 March 2024. I've listened to a recording of the call he made to the business on 25 March. He tells the agent this shouldn't have been recorded as a claim, but as a notification. The agent says, "*that's fine*" and confirms he's making the change to notification only as Mr A hasn't received a hire car yet. Mr A then says, "*my premium won't go up next year*". This comes across as more of a statement than as a question. Advantage's agent doesn't respond. The call then concludes with the agent telling Mr A the hire services have been cancelled.

I've listened to the call Advantage made to Mr A on 14 May 2024. Its agent tells Mr A that the incident was closed as a notification. However, it says it's recently had to pay for hire car rental. The agent asks Mr A some questions about the hire car rental. He responds to say that all costs should've gone through the TPI. The agent says the claim has been reopened while it investigates. She explains it will need to be confirmed whether there has been an error on the hire company's part, or if it needs to reclaim these costs from the TPI. The agent says this won't affect Mr A's premium or NCD. She says that premiums may increase in future but clarifies that it won't be as a result of re-opening this claim.

Advantage's claim records show that a hire car service was instructed on 23 March 2024. This cost the business £508.25. I think this supports what Advantage says that a claim was made. The records show the claim was recorded as settled. Mr A's NCD was allowed and there was no cost associated with the claim. This is what I'd expect to see in these circumstances where Mr A isn't at-fault and Advantage's costs have been recouped from the TPI. I don't agree that Mr A had merely notified Advantage of an incident, or that this is how this should be recorded.

I can understand Mr A's frustration. The accident wasn't his fault. But he's now paying higher premiums for his insurance. However, Advantage has a duty to make sure its records are accurate. Insurers consider many factors when assessing risk and setting premiums. This includes any incidents and claims recorded on CUE. As discussed I think the claim has been recorded correctly. This wasn't a 'notification only' incident. Rather a claim was made by Mr A for which he was correctly recorded not at-fault for. His other insurer has likely factored this into its premium calculation. But I don't think Advantage is responsible, by mistake or omission, for Mr A paying more for his insurance.

Having considered the call recordings and final complaint response I don't think Advantage communicated clearly with Mr A at all times. The complaint response refers to him potentially paying the hire car costs so the claim could be changed back to notification only. This isn't correct. As discussed a claim had been made and correctly recorded as such. The agent from the first call could've been more attentive and responded to Mr A's comments about his premium increasing. During the second call the agent tells Mr A several times his NCD and

premium won't be affected. This isn't entirely accurate. There was a claim which meant this could have an impact on future premiums, albeit the NCD was unchanged. However, it's probable that the agent was referring to the claim being reopened so that the hire charge could be resolved. It's correct to say this didn't affect Mr A's premiums.

I've thought carefully about the impact all of this has had on Mr A. His main frustration is that he wasn't to blame for the accident, and this has cost him more in insurance premiums. But as discussed I don't think Advantage did anything wrong to cause this. Complaint handling in itself isn't a regulated activity. So, I can't comment further on the inaccuracy in its response. The calls could've been handled better. Mr A may at least then have better understood the situation. But I think the apology and compensation Advantage has already provided is fair in these circumstances. So, I won't ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 24 March 2025.

Mike Waldron
Ombudsman