

## **The complaint**

Mr G complains that Advantage Insurance Company Limited (Advantage) did not offer a fair value for his model of car when it was written off in an accident.

There are several parties and representatives of Advantage involved throughout the complaint but for the purposes of this complaint I'm only going to refer to Advantage.

## **What happened**

Mr G had a motor insurance policy with Advantage.

During the term of his policy he changed his car and updated the details on his policy.

Mr G made a claim on his policy. The claim was accepted and the car was written off as a total loss. Advantage offered Mr G £1,356.50 as settlement.

Mr G did not think this reflected the market value of his car. It was noticed that the model of car detailed on his policy was different to the actual model of his car. On the policy the car was recorded as a standard model. When Advantage's engineer inspected the car, it said the car was a high-performance GT model that had double the horsepower of a standard model and it had been modified.

Mr G updated his insurance policy through his on-line account and he filled in the details of the new car. When he entered his number plate it brought up a car of the same make and he assumed this was correct. In fact the car was an import and a different model.

Advantage said if it had been made aware the car was a GT model and had been modified it would not have offered cover at all. It still offered to pay Mr G £1,356.50, less any policy excess. This amount was the average market value for the standard model of car it had accepted cover for as detailed in Mr G's policy.

As Mr G was not happy with Advantage, he brought the complaint to our service.

Our investigator upheld the complaint. They said as Advantage validated the claim, they'd expect it to act in line with the remaining policy terms and pay the market value of the vehicle owned by Mr G. They said Advantage should obtain a bespoke valuation for his car.

As Advantage is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## ***In my provisional decision I said***

*In this case the issue is that motor insurance cover has been accepted for one model of car, but the actual car was a different model with a higher specification. And it had been imported and had been modified.*

*In cases like this an insurer can avoid a policy if they can prove the customer misrepresented themselves. If an insurer thinks a consumer has misrepresented the details of their car and this would have meant it wouldn't have offered cover or would have done so at a different price, then it can avoid the policy or deal with the claim proportionately.*

*I looked in detail at the underwriting criteria provided by Advantage. After checking it I'm satisfied that Advantage would not offer cover to the GT model of car owned by Mr G.*

*Mr G said that when he completed his on-line update he added his car registration number and a car of the same make was pre-populated by the on-line system. But it was not identified as a GT model.*

*Advantage said as the car was a Grey import its systems only recognise it as a standard model and not a higher spec or a GT as in this case. Grey imports are vehicles that have been imported from outside the EU, that have never been available as standard in the UK. Grey imports are usually cars that don't have an equivalent model in the UK market.*

*I looked at the on-line process and saw when Mr G entered the registration number there was the opportunity for him to say this was the wrong model and to add the correct details manually. Mr G did not do this and accepted the car that was brought up by the on-line system was correct. If he had answered that it was the wrong car as he should have done, there were then clear questions asking if the car was imported and if it was modified.*

*Mr G agreed he knew the car was an import. I haven't seen evidence that would indicate Mr G deliberately didn't update his policy with the correct details of his car, but I think he failed to take reasonable care by not doing so.*

*Mr G was also sent updated policy documents on the same day he made the on-line update. These documents show all the details of the car and the cover included. On the first page of the documentation it clearly says; "Please check these and let us know if anything is incorrect." The model of car appears a number of times throughout these documents and in none of these does it record the car as a GT model.*

*In this case Advantage said it agreed to deal with the claim and policy in line with the vehicle information it held and had accepted the risk for a standard model. Advantage said as Mr G had not supplied accurate model details of his car it considered this to be a careless qualifying misrepresentation, which entitled it to avoid the cover, as the risk presented for the actual vehicle wasn't acceptable. And therefore its decision to deal with the claim had worked in Mr G's favour.*

*I agree that Advantage could have avoided the policy for Mr G's misrepresentation. This means Mr G's policy could be treated as though it never existed. And this would mean Mr G would have had no cover at all for his car and would have had to declare the avoidance in future insurance applications. Therefore, I think that its offer to settle for a standard model is a fair and reasonable alternative.*

*I don't think we can expect Advantage to pay Mr G for a model of car that it would not have offered cover for if he had completed the update to his policy accurately.*

*Advantage offered Mr G £1,356.50 as settlement. I have checked and this is the average value of the standard model of car. I think Advantage have been fair by settling the claim based on the model of car that was insured.*

*Therefore, I intend to not uphold Mr G's complaint and do not require Advantage to do anything further.*

## **Responses to my provisional decision**

Mr G responded to say there was nothing he wished to add.

Advantage responded to say it had nothing to add.

## **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.

As neither Mr G nor Advantage had any comments to add, I maintain my provisional decision.

Therefore, I do not uphold Mr G's complaint and do not require Advantage to do anything further.

## **My final decision**

For the reasons given I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 August 2022.

Sally-Ann Harding  
**Ombudsman**