

The complaint

Mr F is unhappy with how Advantage Insurance Company Limited dealt with a motor insurance claim.

This complaint involves the actions of agents for whom Advantage is responsible. Any reference to Advantage includes its agents.

What happened

Mr F held a motor insurance policy underwritten by Advantage.

Mr F's car was damaged and he made a claim to Advantage. Advantage deemed the car to be beyond economical repair so it offered Mr F £6,875 for the car's market value. Mr F thought this was too low. He complained about the valuation along with other issues.

Advantage said it had used the average of three valuations it had obtained from motor trade guides. However, it increased its offer to the highest valuation provided by the guides, which was £7,305. Mr F didn't think this was enough, and he didn't think it took account of the car's optional extras, which were a tow bar and roof rack. He also told Advantage not to dispose of his personal items inside the car before he'd had a chance to collect them.

Advantage looked at things again. Its engineers didn't think the optional extras increased the car's value. But Advantage admitted there had been some confusion over where the car was being stored. It apologised for this and paid Mr F £200 to put things right. It said Mr F should contact the salvage agent to arrange for the collection of his personal items.

Mr F had already referred the matter to the Financial Ombudsman. Our investigator looked into things and didn't uphold the complaint. She thought Advantage had reached a fair market valuation and the optional extras didn't change her view. She hadn't seen any evidence of personal items inside the car, but she thought Advantage had given Mr F plenty of time to collect them. She thought £200 was fair overall.

Mr F didn't agree. He didn't think Advantage had been clear about where his car was, and he wanted his personal items back.

A few days later, Mr F was contacted by a person who had bought Mr F's car at auction. The buyer provided photos of Mr F's items in the glovebox, central console, and boot. Mr F said that this was very stressful and he wanted compensation for his lost items. He thought Advantage was safeguarding the car until the complaints process had concluded.

Advantage said it couldn't safeguard the car indefinitely because it was incurring storage charges. It didn't think it had to tell Mr F that it was allowing the car to be sold because it had settled the claim, so the car was now its property. It said it had only held the car for as long as it did to allow Mr F to collect his items, which he'd chosen not to do. It said its salvage agent would only perform a visual sweep of the car and wouldn't open the compartments, and the notes indicated that the boot was jammed.

Our investigator considered this new information. She still thought Advantage had given Mr F plenty of time to collect his items and she hadn't seen any evidence that he'd attempted to do so. So, she didn't think the complaint should be upheld.

Mr F didn't agree. So, the matter came to me to decide. I issued a provisional decision, setting out why I was intending to reject the complaint. I said:

"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 intending to uphold the complaint. I know this will be disappointing for Mr F and I'm sorry about that. I've explained my reasons below. I've focused on what I think is relevant and what I see as the central issues. If I haven't commented on a specific point, it's because I don't believe it affects what I consider to be the right outcome.

Valuation

Mr F's car was a total loss so Advantage had to pay Mr F the car's market value – taking into account its make, model, age and condition. Advantage's final offer was £7,305. Mr F said he would have wanted closer to £9,000.

I should explain that it isn't the role of the Financial Ombudsman to come to an exact valuation of a consumer's car. But we consider whether the insurer has acted reasonably in looking to offer a fair market value. In assessing what constitutes fair value, we review relevant motor trade guides. We find these to be persuasive because their valuations are based on nationwide research and likely sales figures. I've reviewed the valuations that Advantage obtained, as well as those obtained by our investigator.

The values Advantage obtained from the guides were £5,420, £6,780, and £7,305. The values obtained by our investigator were broadly the same, except she found that the third guide provided a lower valuation of only £6,863. She also checked a fourth guide which provided a valuation of £6,797.

We're aware that, for several reasons, second-hand cars are more often selling at, or close to, their advertised price. So, we usually think the best way to ensure a policyholder receives a fair settlement is for the insurer to use the highest of the valuations provided by the trade guides. This is unless the parties can provide persuasive evidence to show otherwise.

Advantage has provided two adverts for cars of the same age, engine type, and transmission as Mr F's. The adverts don't show whether the cars had the heated seats that Mr F says his vehicle had, but all other details appear the same. One car had a slightly lower mileage and was advertised at £6,899. The other had a higher mileage and was advertised at £5,990. These adverts suggest to me that £7,305 was a fair offer.

Mr F has provided a list of several adverts. Many were for automatic or petrol models, whereas his was a manual diesel. So, I don't find them persuasive. Further, most of the links Mr F provided have now expired, so I haven't been able to verify them. Of the ones that I was able to verify, I found one car advertised for £6,695. This is £300 lower than Mr F recorded on his list, and the mileage hasn't changed. The advertised car has much higher mileage than Mr F's but was two years younger. So, the advert suggests to me that Advantage's offer was fair.

Of the remaining similar models that Mr F found, only one was advertised for more than Advantage's valuation. Mr F recorded that this car was being advertised for £7,650. He said it was the same age as his car, with 23,000 more miles and no heated seats. I couldn't verify this. But, even if I could, I don't think it would be fair for me to rely only on this advert to say that Advantage's offer was unfair. I say this because I would have to consider it against the four trade guide valuations above, which are based on nationwide sales research, along with the two adverts from Advantage and the advert I mentioned above from Mr F.

Regarding the tow bar and roof rack, I would expect Advantage to have considered whether those increased the car's market value. Advantage's engineers didn't think they did. Mr F doesn't agree, but I haven't seen any evidence to challenge the view of Advantage's engineers. Not all optional extras will increase a car's value. They depreciate over time. And those over a certain age often have no effect on the value at all. Extras may also make a car more desirable to some buyers but may put others off. Mr F's vehicle was ten years old, so the car and its extras had suffered significant depreciation. I'm not persuaded Advantage should have increased its offer further because of the extras.

Advantage paid the highest of all the trade guide valuations it obtained, and even higher than those obtained by our investigator. I've also seen at least three adverts which suggest Mr F would have been able to replace his car for the amount Advantage paid. So, I think Advantage valued Mr F's car fairly – and I don't intend to tell Advantage to increase this.

Personal items

Mr F is unhappy that Advantage sold his car with his personal items still inside. He'd like compensation for these.

It's no longer in dispute that Mr F's items were inside the car. The buyer's photos show roadside breakdown kits, a jack and tyre kit, jumper cables, a USB cable, a 12v adapter, a diagnostic tool, and other minor items.

Advantage says it didn't know for sure that the items were in there. I've checked the photos from its salvage agent and its engineers. None of the photos show the contents of the boot, central console, or glovebox. But, what I think is the crux of the matter is that Advantage gave Mr F clear instructions on how to collect his items, and I think it gave plenty of time for him to do so.

Advantage told Mr F in late January to contact the salvage agent to arrange the collection. It told Mr F to get back in touch if he had any issues. And it reiterated this position two more times over the following days.

The car came into the salvage agent's possession in late January and remained there until early April. I've seen no evidence that Mr F contacted the salvage agent to arrange the collection. The salvage agent's notes show that Mr F did get in touch in February, but he told the agent he didn't want to deal with them, and only wanted to deal with Advantage. Mr F says he did so because he had to deal with several sub-contractors throughout the claim and he only wanted to deal with Advantage as his insurer.

I appreciate having to deal with multiple parties may have been frustrating. But the salvage agent was in possession of the car. I appreciate there had been some

confusion about its location. But this appears to have been in December and January, and Advantage has apologised and paid compensation for that. If Mr F had contacted the salvage agent from the end of January onwards, as Advantage had advised, I think it's very likely that the agent would have been able to arrange the collection.

The car remained in the salvage agent's possession for around ten weeks. Advantage has shown that it was incurring significant storage costs during that time. I don't think it was unreasonable for Advantage to draw a line and allow the car to be sold.

I appreciate this was surprising and upsetting for Mr F, especially when he was contacted by the buyer out of the blue. But I don't think it was fair for Advantage to continue to hold the car for such a long time after it had made clear to Mr F what he needed to do. And I think it was clear that it was Mr F's responsibility to collect his items.

Mr F has suggested that Advantage had been told to safeguard the vehicle until the complaints process was over. I haven't seen any evidence of this. Advantage has shown that it safeguarded the vehicle for several weeks to allow Mr F to collect his items. I think to keep the safeguard in place for the entire complaints process would have been unreasonable.

I agree that Advantage provided poor and confusing service at times. But it paid Mr F £200 to recognise this. I think this was fair and is in line with what I would have awarded. So, I don't intend to tell Advantage to pay more compensation.

Overall, I think Advantage placed a fair valuation on Mr F's car. And while the car was sold with some of his items inside, I'm satisfied Advantage gave Mr F clear instructions and plenty of time to collect them. So, I'm not intending to tell Advantage to do anything further."

Responses

Advantage said it had nothing further to add.

Mr F said he wasn't surprised that I was intending to side with Advantage. He felt our investigation was one-sided.

Mr F asked for all the documents and correspondence related to his complaint and our investigator provided this. I also gave Mr F and Advantage more time to respond. Neither party responded further.

As the deadline for further responses has passed, I now consider it appropriate to issue my final decision.

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'd like to reassure Mr F that I conducted my review of his complaint independently. And I hope the documents we've sent offer him further reassurance.

Mr F's comments about our investigation have not changed my view of the complaint. I'm

satisfied that Advantage placed a fair value on Mr F's car. And I'm satisfied that Advantage gave Mr F ample time to collect his personal items. Advantage did provide poor service at times. But I find the compensation it paid to be fair and reasonable.

I've reviewed the complaint again and my opinion has not changed. So, my provisional decision, and my comments here, are now the findings of this, my final decision.

My final decision

For the reasons I've given, I do not uphold Mr F's complaint about Advantage Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 29 November 2024.

Chris Woolaway
Ombudsman