

## **The complaint**

Mr F complains about how Advantage Insurance Company Limited settled a claim he made on his motor insurance policy.

Reference to Advantage includes its agents.

## **What happened**

Mr F holds a motor insurance policy with Advantage. When he was involved in an accident, he made a claim to Advantage for the damage caused.

Advantage accepted the claim and deemed the car uneconomical to repair. It valued Mr F's car at £1,800 but made a deduction of £562.52 for damage to the car it said existed before the incident Mr F was claiming for.

Mr F complained to Advantage about the settlement of his claim, he didn't think what it had valued his car at was enough for him to purchase a replacement. He also complained that the claim was recorded as a fault claim. He said when he reported the claim, he was told it would be a non-fault claim and thinks that's how it should be recorded.

Advantage didn't change its stance, so Mr F brought his complaint to us.

Our investigator ultimately didn't think it should be upheld. They thought Advantage had evidenced why its settlement amount was fair. And they were satisfied it was acting fairly and reasonably in line with Mr F's policy when settling the claim as a fault claim.

Mr F didn't agree and asked for an Ombudsman's 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.

Having done so, I'm not upholding it. I'll explain why.

### Settling the claim as a fault claim

I understand Mr F is unhappy his claim was settled as a fault claim, especially as he was told it would be settled as non-fault initially. But his policy with Advantage allows it to "...conduct the defence or settlement..." of any claim made on his policy, whether made by him or a third party. Naturally, this means at times it might make a decision he doesn't agree with.

Advantage needs to rely on this term fairly, and to do that it needs to carry out an appropriate investigation and base its decision on the available evidence. I'm satisfied it's done that here. It's based its decision on dashcam footage, the version of events provided by both parties and the relevant part of the highway code. I understand Mr F thinks more footage would have shown the third party missed an exit and was at fault. But I'm satisfied Advantage took this into consideration when settling his claim.

It follows, that like our Investigator, I'm satisfied Advantage's decision to settle the claim as a fault claim was a decision it was entitled to make. I'm also satisfied it was a reasonable decision based on the evidence available.

### The settlement amount

Mr F's policy says Advantage will choose whether to repair his car or pay him an amount to replace it. It says the most it will pay under the policy is the market value of the car. It defines market value as the cost of replacing his car at the time of the incident "*with one of the same make, model, age and condition*".

Advantage valued Mr F's car at £1,800 before it made any deduction (which I'll cover below). It said this was based on the figures returned from the valuation guides (£2,574, £1,765 and £1,675) and adverts available at the time of loss.

This valuation is toward the lower end of the range provided by the guides, so in order for me to be able to say it's fair, Advantage needs to provide additional evidence to support its position. Here, I'm satisfied it's done that. It's provided a number of adverts, four above its offer, but importantly, five at or below its offer. I'm satisfied these adverts are sufficiently close enough to Mr F's car in terms of age make model mileage and condition and sourced close enough to the time of the loss to deem them persuasive. I'm satisfied this shows that Mr F could reasonably expect to replace his car with the amount Advantage valued his car at.

Turning to the deduction made from this value, Advantage has shown that the damage preexisting the incident would have cost more than double what it deducted from the value of Mr F's settlement (£562.52). Looking at the damage, I'm satisfied that's reasonable and in line with our approach.

So, overall, I'm satisfied Advantage's valuation of his vehicle is reasonable, and in line with the policy terms.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 20 March 2025.

Joe Thornley  
**Ombudsman**