

## The complaint

Mr C complains about Advantage Insurance Company Limited's ("Advantage") valuation of his car following a claim under his car insurance policy.

## What happened

Mr C says, following an accident, his car was written-off. Mr C wasn't happy with the settlement being offered by Advantage, so he complained and said his car was rare and the settlement offered by Advantage wouldn't allow him to replace his car on a like for like basis.

Advantage responded and explained they use valuation guides to calculate the market value of a car. They explained they used three valuation guides, and their offer represented the highest valuation obtained. Advantage explained they'd considered the adverts Mr C had provided but still believed they'd offered Mr C a fair price.

Our investigator looked into things for Mr C. She thought Advantage had offered a fair settlement for Mr C's claim. Mr C disagreed so the matter has come to me for a 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've decided not to uphold the complaint. I understand Mr C will be disappointed by this but I'll explain why I have made this decision.

My starting point is Mr C's motor insurance policy booklet. This sets out the terms and conditions and defines 'market value' as, "*The cost of replacing your car...at the time the loss or damage occurred with one of the same make, model, age and condition...Your insurer may use publications such as Glass's guide to assess the market value...*"

In the event of a total loss, Advantage are required to pay Mr C the market value of his car. In assessing whether a reasonable offer has been made, we obtain valuations from motor valuation guides. These are used for valuing second-hand vehicles. We find these guides to be particularly persuasive, largely because their valuations are based on nationwide research of likely selling prices. The guides refer to advertised and auction prices to work out what the likely selling price for the same vehicle would be.

Mr C is unhappy with Advantage's valuation of his car as he thinks it's worth more. I've seen that Advantage reached their figure by using industry recognised tools to find out the market value of the car. They obtained three valuations: CAP gave a valuation of £4,430, Glass's was £4,530 and Percayso was £5,289. Advantage initially offered a market value of £4,749.67 which represented the average of the valuation guides. Following a review, Advantage increased the market value to £5,289 which represents the highest figure provided by the valuation guides. Our service also uses AutoTrader, but this didn't produce a valuation. So, given the settlement offered by Advantage represents the highest figure

obtained from the valuation guides our service uses, I don't think the £5,289 offered by Advantage for the market value of Mr C's car is unreasonable.

As a service, we think insurers should base their settlement offer in line with the highest available guide unless there is sufficient evidence to persuade us otherwise. Mr C has provided three adverts which he says are for a similar car and is relying on one advert, in particular, in support of his argument that Advantage should increase the market value offered for his car. This advert is for a car which is a similar make and model to Mr C's car but is two years older. I've also taken into account a sales receipt which Mr C has provided which shows he paid £7,940 for his car around seven months before he received Advantage's settlement offer.

I have taken these points into account, but I've weighed this up against the other evidence. The trade guides are experts in this area and use a lot of information when coming to their valuation figures. While the advert I've mentioned shows a similar car to Mr C's car, is valued higher, one advert isn't enough to persuade me that following our current approach isn't fair and reasonable in this instance. I say this for a number of reasons.

Firstly, Mr C has provided another advert, and this shows a car which is the same make, model and age as Mr C's car – so I think this is a closer match to Mr C's car when taking into account the policy's definition of market value refers to “...*the same make, model, age...*”. I acknowledge this car has around 15,000 more mileage than Mr C's car, but it's priced at £4,499 – which is around £800 less than the market value offered by Advantage. Secondly, I acknowledge the price paid by Mr C when he bought his car, but it's to be expected that a car will depreciate over time – and I haven't been provided with any evidence which persuades me that Mr C's car would retain the same, or relatively similar, value seven months after he bought it.

Finally, different valuation guides use different methods to value vehicles. So, our service uses multiple valuation guides to ensure a fair market value is reached – as this reduces the chance of consumer detriment. I've used the valuation guides as a starting point, but Mr C hasn't provided any persuasive evidence to demonstrate that, in the circumstances of this case, using the Percayso valuation is unfair. I acknowledge Mr C says his car is rare, but I have to take into account that three of the four valuation guides we use have provided a valuation.

My role here is to consider whether Advantage have offered Mr C a fair value for his car. And based on the reasons I've mentioned above, I think they have - and I haven't seen any evidence that persuades me the motor trade guides our service uses to assess whether a fair value has been reached, shouldn't be used here. And given that Advantage's offer of £5,289 is in line with the highest value provided by the motor trade guides, I think they've offered Mr C a fair market value.

### **My final decision**

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 June 2025.

Paviter Dhaddy  
**Ombudsman**