

## **The complaint**

Ms O complained that Advantage Insurance Company Limited (“Advantage”) inflated its repair costs, which delayed her car being fixed, under her motor insurance policy.

## **What happened**

Ms O’s car was damaged in an accident on 19 February 2024. She contacted Advantage to claim under her policy. It arranged for an inspection and determined the car was uneconomical to repair. It subsequently offered her a settlement payment for £8,989.88. Ms O obtained her own estimates. She said the cost of these repairs was well below her car’s market value and that her car should be repaired.

Ms O said Advantage had obtained another repair estimate. This was much lower than the first. It then arranged for her car to be repaired. This was completed on 28 June 2024. Ms O said Advantage inflated the initial repair estimate. This caused the five-month delay in her car being repaired. This meant driving it in a damaged state for this period. She complained to Advantage about this.

Advantage responded in November 2024. It said it has two different processes. For a non-fault claim its costs are recovered from the third-party’s insurer. For these claims the supplier it appoints charge higher rates for the repairs. For at-fault claims Advantage uses a different supplier, with lower negotiated rates. It said this is why the initial repair estimate was higher. This meant Ms O’s car was considered an economic total loss. But when using its supplier with lower negotiated rates the car was considered repairable.

Advantage said it can’t provide Ms O with the repair reports as they contain business sensitive information. But it paid her £400 compensation for the time taken to complete the repairs.

Ms O didn’t think Advantage had treated her fairly and referred the matter to our service. Our investigator didn’t uphold her complaint. He said Advantage doesn’t control the rates charged by its suppliers and so isn’t responsible for the difference in the quotes. He didn’t think the business acted unfairly when not providing a copy of its repair reports for the reasons it gave. He thought £400 compensation was fair for the inconvenience Ms O was caused.

Ms O didn’t accept our investigator’s findings. As an agreement wasn’t reached the complaint has been passed to me to decide.

I issued a provisional decision in April 2025 explaining that I was intending to uphold Ms O’s complaint. Here’s what I said:

### *provisional findings*

*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 upholding Ms O's complaint. Let me explain.*

*A claim for accident damage will invariably result in some disruption. But we expect insurers to handle claims effectively and arrange for repairs in a timely manner. I've focused on whether Advantage did that here.*

*I've read the repair estimate Advantage obtained in late February 2024. The engineer thought the repairs would cost £8,989.88. A breakdown of the work is included in the report. The engineer then valued Ms O's car using two of the industry trade guides. His valuation came to £8,140. As this was less than the estimated repair costs the engineer categorised Ms O's car a total loss due to it being uneconomical to repair. Advantage then offered her a settlement payment.*

*I can see from the claim records that Ms O wasn't satisfied with the settlement amount and requested a higher payment. Advantage reconsidered and made a final offer for £8,884. The point at which an insurer considers a vehicle a total loss varies. But generally speaking, this will apply when the repair costs reach between 60% and 70% of its market value. Based on these figures it wasn't unreasonable for Advantage's engineer to treat Ms O's car as a total loss.*

*Ms O said she obtained her own estimates for the repairs. These showed the repairs cost less than Advantage had claimed. Advantage arranged a further engineer inspection as Ms O remained dissatisfied. I've seen the inspection report it obtained from 1 May 2024. The engineer valued Ms O's car at £10,300. I can't see details of how this was assessed. But the engineer thought the car was repairable. He estimated the repair costs at £5,406.44.*

*The claim records show Advantage's in-house engineer thought the latest valuation was too high. Also, that work involving the boot floor hadn't been included in the repair estimate. However, the business did then agree to complete the repairs. The work was arranged for 26 June and Ms O's car was repaired by 28 June.*

*From first registering a claim it took four and a half months to repair Ms O's car. But from the claim records it only took a few days for the garage to actually complete the work. I accept there would likely be a lead-in time before the garage could carry out the repairs. But had the decision to repair the car been made when it was first inspected, the work could've reasonably been completed by early March 2024. As it is, it took a further three and a half months. I don't think this was fair on Ms O and has resulted in significant inconvenience, frustration, and some distress.*

*I've thought carefully about Advantage's explanation of its two different processes. But I don't think it's fair for fault liability to essentially determine if Ms O's car was a total loss or repairable. To explain further, from what Advantage has said, if Ms O was considered at-fault for this claim, it would have assessed the repair costs based on its cheaper negotiated rates. It eventually decided the car was repairable. So, the repair cost didn't reach its total loss threshold. This indicates that had Ms O been at-fault for the claim, repairs would have been arranged in March 2024.*

*Ms O wasn't at-fault for the accident. But I don't think it was fair that her car was considered a total loss because of this.*

*I've thought about the impact all of this had on Ms O. Her car was eventually repaired but it took close to five months of regular contact with Advantage before this was agreed. Mrs O wanted to keep her car, as she explained it had been kept in good condition. She spent time obtaining estimates for the repairs. As well as corresponding with the business. During*

*this time, she had to drive a car that was damaged. It's also clear that she found the responses she received from Advantage confusing as to the action it was taking and why. I can understand why she was confused.*

*Having considered all of this I don't think Advantage treated Ms O fairly. This has caused her distress, inconvenience, and frustration over a prolonged period. To put this right, it's fair that Advantage pays her compensation. I think £500 in total is fair. This aligns with the approach our service takes when considering compensation award in similar circumstances. So, it should pay Ms O a further £100 on top of the £400 it's already paid.*

*Ms O said she paid her vehicle tax by monthly instalment whilst the uncertainty about her car was ongoing. And that this this came at a higher cost. In the circumstances I think it's fair that Advantage refunds any additional payment Ms O has made. It should do so on receipt of documentation showing this additional cost was paid.*

*I've thought about Ms O's concern that Advantage refused to provide copies of its repair costings. It's clear from the cost breakdown included in these reports that this contains business sensitive information about the agreements Advantage has in place with its suppliers. I don't think it was unreasonable for the business to decline sharing this information with Ms O in light of this.*

I said I was intending to uphold Ms O's complaint. And that Advantage should pay her an additional £100 in compensation and refund the additional cost she paid to tax her vehicle.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Advantage didn't respond with any further comments or information for me to consider.

In her response Ms O said my provisional decision highlighted why Advantage's actions were fraudulent. But I ignored the fact that its repair estimates were fraudulent. Ms O said she can't find another word to describe Advantage's actions when it inflated the cost of the repairs.

Ms O reiterated her view that there is no excuse for the time it took Advantage to repair her car. And that my provisional decision had pandered to its underhand actions. She said what Advantage's in-house engineer thought about the valuation and repair estimate doesn't matter. As by this point Advantage had been shown to have acted fraudulently.

In her response Ms O said Advantage's refusal to share the repair estimates was understandable given the ridiculous labour costs involved.

### **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 persuaded from Ms O's further comments that a change to my provisional findings is warranted. I understand that her claim experience was frustrating, and she believes more should be done about it. But I think the outcome explained in my provisional decision is fair.

Ms O has strong views that Advantage behaved fraudulently when handling her claim. But my role isn't to determine whether fraud was committed. The focus of my decision is to consider whether Advantage treated Ms O fairly and reasonably in line with her policy terms

when handling her claim.

In my provisional decision I explained that I didn't think Advantage had treated Ms O fairly. This is because it could have made the decision to repair her car much sooner. Had it done so it would have avoided the considerable delay she experienced. I said it wasn't fair that fault for the accident determined whether Ms O's car was repaired or considered a total loss. So, it was fair that Advantage compensated her for the impact the repair delay had on her. In paying a total of £500, I think this represents a fair outcome having considered Ms O's further comments.

If Ms O wants to pursue Advantage for reasons of fraud she can do so separately to our process.

### **My final decision**

For the reasons set out above and in my provisional decision I uphold this complaint. Advantage Insurance Company Limited should:

- pay Ms O a further £100 in compensation for the distress, inconvenience, and frustration it caused her; and
- on receipt of proof of payment, refund the additional cost Ms O paid to tax her vehicle.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 11 June 2025.

Mike Waldron  
**Ombudsman**