

## The complaint

Mr F complains that Advantage Insurance Company Limited mishandled his claim on a motor insurance policy.

## What happened

The subject matter of the insurance, the claim and the complaint is a cabriolet car, made by a premium-brand car-maker with a powerful engine and first registered (in a British Crown Dependency) in 1996.

Mr F acquired the car in 2019.

Mr F insured the car with Advantage for the year from July 2024. Mr F told Advantage that the market value of the car was £19,000.00. Any claim for damage was subject to an excess of £345.00.

Unfortunately, Mr F reported that on 4 September 2024, a third party caused an accident that seriously damaged the car. At that time, it had a recorded mileage of about 112,000.

A vehicle rental company provided a hire vehicle to Mr F.

Advantage said that the car was a total loss. On about 11 September 2024, Advantage said that its pre-accident value had been about £7,500.00.

On about 30 September 2024, Advantage increased its pre-accident valuation to £9,845.00.

Mr F instructed a firm of consultant forensic automobile engineers who inspected the car. On about 7 October 2024, one of those engineers reported that car's pre-accident value had been £19,500.00. The firm charged Mr F £300.00 for the report.

Advantage waived the excess and paid £9,845.00 into Mr F's bank account.

The vehicle rental company terminated the hire vehicle.

Mr F complained to Advantage, including that it was under-valuing the car, that it had made a payment without his agreement, that it had terminated the hire vehicle and that it should reimburse the £300.00.

By a final response dated 18 October 2024, Advantage turned down the complaint. It included the following:

*"Unfortunately, none of the retail guides were available, so our in-house engineers reviewed 3 examples:*

- *£6,995.00 at about 74,677 miles and was a year older than yours, though it said it had electrical issues*

- £8,295.00 at about 136,000 miles and was a year older than yours
- £10,950.00 at about 152,000 miles and was a year older than yours

*The in-house engineers valued the vehicle at £9,845.00.”*

Mr F put another car on the policy from late October 2024. Mr F brought the complaint to us in early November 2024.

#### *our investigators’ opinions*

Our first investigator didn’t recommend in mid-February 2025 that the complaint should be upheld. She thought that Advantage had acted fairly when determining the value of the car.

Mr F provided further information. The first investigator changed her view.

Our first investigator recommended in mid-April 2025 that the complaint should be upheld in part. She thought that the most reliable evidence was the engineer’s report. She thought that a fair resolution would be for Advantage to pay £19,500.00 for the car. She recommended that Advantage should:

*“...pay Mr [F] £19,500 [minus] the amount they have already paid.*

*... also pay for Mr [F]’s independent valuation as had the offer by Advantage been fair he wouldn’t have needed to take gather further evidence from an independent engineer.*

*...also pay 8% simple interest from the date of the initial settlement on the additional amounts paid.”*

Mr F agreed with the first investigator’s changed opinion.

Advantage provided further information.

Our second investigator didn’t agree with the first investigator’s changed opinion.

Our second investigator didn’t recommend on 9 May 2025 that the complaint should be upheld. He thought that £9,845.00 was a fair valuation. He thought that it enabled Mr F to replace the car with a one of a similar make, model and mileage.

Mr F disagreed with the second investigator’s opinion. He asked for an ombudsman to review the complaint.

#### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr F and to Advantage on 20 May 2025. I summarise my findings:

I was minded to find that a fair market value for the car was £19,500.00 and to direct Advantage to adopt that valuation. That would require a further payment of £9.655.00.

If Advantage had given a fair valuation of £19,500.00, then Mr F wouldn’t have needed to instruct the consultant engineers.

Subject to any further information either from Mr F or from Advantage, my provisional decision was to uphold this complaint in part. I intended to direct Advantage Insurance Company Limited to:

1. adopt a pre-accident valuation of £19,500.00 for the car; and
2. pay Mr F:
  - 2.1 in addition to its payment of £9,845.00, a further £9.655.00 for the car; and
  - 2.2 £300.00 in reimbursement of the consultant engineer's fee; and
  - 2.3 simple interest on the sums of £9.655.00 and £300.00 at a yearly rate of 8% from 7 October 2024 to the date of its payment. If Advantage considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr F how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Mr F accepted the provisional decision. Advantage also accepted the provisional decision. So I see no reason to change my view.

### **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.

#### Interim payment

Advantage paid the money into Mr F's bank account without having reached an agreement about valuation. I think Mr F felt that was premature.

However, I would expect an insurer to make such an interim payment. I wouldn't find that such payment prejudiced Mr F's ability to bring his complaint about valuation to us. So I don't consider that Advantage treated Mr F unfairly by making an interim payment.

#### Courtesy car/ hire vehicle/replacement car

Advantage's policy terms included the following:

##### *"About the replacement car service*

- *You won't be eligible for a replacement car if your car is stolen or considered to be a total loss/write-off*
- *The replacement car service is only available if you are making a claim under Section 1 or 2 of the policy and the repair is being done by your insurer's nominated repairer*
- *The replacement car will be provided by your insurer's nominated repairer*
- *The service is only available while your car is being repaired"*

Advantage considered that the car was a total loss. So the insurer's nominated repairer wasn't doing a repair. So I don't consider that Advantage had to provide a hire car. I find it likely that it was the vehicle hire company, rather than Advantage, that was responsible for providing the hire car and for terminating it.

### Valuation

Advantage's policy required it to pay Mr F the car's "market value" defined as follows:

*'The cost of replacing your car in the United Kingdom at the time the loss or damage occurred with one of the same make, model, age and condition.  
This may not necessarily be the value you declared when the insurance was taken out. Your insurer may use publications such as Glass's Guide to assess the market value and will make any necessary allowances for the mileage and condition of your car and the circumstances in which you bought it.'*

The trade guides we use (Glass's, CAP, Auto Trader and Percayso) don't include the model of the car.

I accept that the car was in very good condition with no issues outstanding (save for damage to a plastic window in the side of the soft top).

I've thought carefully about the adverts that Advantage has relied on. They included cars that weren't comparable to the car in model or in age or in condition. They also included adverts from December 2024, a few months after the accident.

I've also thought carefully about the report of the consultant engineer. His report said it was based on an average of adverts. I consider that some of the adverts were for cars that were of much lower mileage.

However, the consultant engineer had the advantage of having inspected the car after the accident including the condition of its undamaged parts. The report was written by a named engineer who stated his qualifications and made a statement of compliance with his duty to the court as an expert witness. For all these reasons, I place more weight on that report than on the evidence from Advantage.

The consultant engineer's report included the following:

*"The owner ... is an enthusiast who has carried out a recent nut and bolt restoration using genuine [manufacturer] parts and has a £3,500 body repaint  
... Taking into account the age, condition, mileage, service history and restoration work undertaken I would assess the pre-incident market value to be in the region of £19,500. This is based on the average value of the examples provided  
.... I am of the opinion that a reasonable pre-incident market value taking into account all the reconditioning and restoration work, plus the general condition and mileage, would be £19,500"*

So the consultant engineer had taken into account the age and recorded mileage of the car as well as its pre-accident condition (including the minor damage to the soft top).

From his report, I find that a fair market value for the car was £19,500.00.

£300.00 fee for report

I take the view that if Advantage had given a fair valuation of £19,500.00, then Mr F wouldn't have needed to instruct the consultant engineers.

### **Putting things right**

I find it fair and reasonable to direct Advantage to adopt the valuation of £19,500.00. That will require a further payment of £9,655.00.

As I take the view that Advantage should've made that further payment by about 7 October 2024, I will direct Advantage to pay interest on it at our usual rate from that date.

I find it fair and reasonable to direct Advantage to reimburse Mr F the fee for the consultant engineers' report. As he's been out of pocket since about 7 October 2024, I will direct Advantage to pay interest on it at our usual rate from that date.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Advantage Insurance Company Limited to:

1. adopt a pre-accident valuation of £19,500.00 for the car; and
2. pay Mr F:
  - 2.1 in addition to its payment of £9,845.00, a further £9,655.00 for the car; and
  - 2.2 £300.00 in reimbursement of the consultant engineer's fee; and
  - 2.3 simple interest on the sums of £9,655.00 and £300.00 at a yearly rate of 8% from 7 October 2024 to the date of its payment. If Advantage considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr F how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 3 July 2025.

Christopher Gilbert  
**Ombudsman**