

## **The complaint**

Mr C has complained that Advantage Insurance Company Limited repaired his car under his motor policy following theft and malicious damage, without his consent. He said he wanted the car written off or to be allowed to have it repaired by his own repairers.

Mr C is represented by his wife. However, for ease of reference I shall refer to Mr C throughout.

References to Advantage include all its agents to include the approved repairer.

## **What happened**

Mr C's car was damaged by thieves on 5 July 2024, so Mr C reported his claim to Advantage. On 6 July 2024, Advantage arranged to collect his car to bring it to its approved repairers. Mr C was then provided with a courtesy car.

Following examination, to include an independent engineer's report, Advantage decided the car was economical to repair, so it authorised the repairs to be done by its approved repairer.

However, on 19 August 2024, Advantage said Mr C contacted it asking for a breakdown of the repair estimate. It said Mr C didn't agree the car was repairable and asked for details of the parts used. Advantage said it told him it would try and contact the garage to get a repair estimate, but that it wouldn't list the costs as that's confidential information given discount arrangements between Advantage and its suppliers.

Advantage said the repairs to Mr C's car were completed on 23 August. However, when the approved repairer asked Mr C to collect his car, pay the excess and return the courtesy car, he refused. Mr C said he had never agreed to the repairs and Advantage hadn't kept him updated as to the progress of the repairs, so he complained. He also said he was never told his car was being repaired.

Advantage didn't think it had done anything wrong. So, Mr C brought his complaint to us.

The investigator also thought Advantage hadn't done anything wrong. Mr C disagreed so his complaint has been passed to me to decide.

## **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 don't think Advantage has done anything wrong either. I appreciate and understand Mr C will be very disappointed, so I'll now explain why.

Also, to confirm I am only looking at the issues which were responded to by the final response letter issued by Advantage on 20 September 2024, namely the issue of Advantage using its approved repairers to repair Mr C's car and the lack of updates. Mr C has raised further issues which are now the subject of a separate complaint so won't be dealt with in this decision to include his issues with the warranty he had on his car versus the guarantee provided after his car was repaired by Advantage.

I understand that Mr C came to this country around three years ago and that he feels this has been the worst experience he's ever encountered with motor insurance. I also note that Mr C sold his car for £8,475.59 at the end of 2024 but that he said his GAP insurer said the car should have been a total loss and it had valued his car at £10,720 in July 2024. Also, the independent engineer instructed by Advantage to decide if the car was repairable or not, said the market value was around £11,830.00 in August 2024.

Valuations of vehicles is never an exact science either, much will depend on the market conditions at the time of sale, or for an insurance claim, the market value of the car immediately before the claim was made, and they can change constantly. But as Advantage weren't at all involved in either coherently valuing Mr C's car more formally or indeed selling it, I'm not able to hold it responsible for the price Mr C decided to accept for the sale of his car or indeed how Mr C went about things in order to sell his car. I can also see the information from the GAP insurer possibly induced Mr C to then feel Advantage's approach to his claim was therefore wrong, but I don't consider it was wrong at all.

#### *Advantage's right to decide whether to repair a car or write it off*

In any event the GAP insurer's opinion doesn't override what the motor insurer like Advantage here might decide. GAP insurance is a Guaranteed Asset Protection insurance which covers the difference between your car's purchase price and its current market value, only in the event the car is written off, before the finance taken out on the car has been repaid. The GAP insurer can't force the motor insurer to write off the car either. Indeed, I also note in the GAP insurance documentation Mr C produced, it says that it doesn't pay claims where the vehicle can be repaired but you request and obtain a cash settlement from your insurer. So, the decision to repair or write off the car therefore remains a decision only the motor insurer can make. The policy Mr C had or has with his GAP insurer is also completely separate from his policy with Advantage.

In order to drive his car, the UK requires Mr C by law, to obtain a motor insurance policy from a motor insurer provider like Advantage. There is no such legal requirement about having to have a GAP insurance policy. Therefore, I don't consider what the GAP insurer might have said to Mr C has any relevance in what Advantage has done with Mr C's claim.

When Mr C applied for a motor insurance policy with Advantage, he is deemed to have agreed to the terms and conditions of the policy when he decides to accept the premium amount quoted and then pay for his policy. This is because motor insurers are duty bound to ensure any applicant can see the policy terms if they wish throughout the application process. And indeed, that application process also provides a summary of the main provisions. Following Mr C's agreement to buy this policy, Advantage in line with all other motor insurers in the UK, must give the customer, Mr C here, a '14 day cooling off period' where he can cancel his policy if he's not happy with the terms. So, it's clear to me that Mr C would have had the proper opportunity to review the policy terms and conditions of his policy well before he had to make this claim. This is because I note Mr C bought his policy on 8 January 2024 and his policy start date was 2 February 2024.

#### *What the policy says*

### ***'What happens when I make a claim?'***

*We will ask you some questions about what happened and take you through the next steps. If your car is repairable your insurer may choose to have it repaired. If so a nominated repairer will be contacted as soon as possible.*

...

### ***What are the features of using the nominated repairer service?***

**Repairs** *The repairs will be guaranteed for five years.*

**Authorisation** *You don't need to get any estimates so the repairs can begin as soon as your insurer has authorised them.*

**Delivery** *The repairer can arrange to collect and return your car.*

**Payment** *All you need to do is pay your agreed excess to the repairer before the car is delivered back to you. Your compulsory and voluntary excesses are based on you using your insurer's nominated repairer. If you use a different repairer, there will be an additional excess to pay as shown in your schedule of insurance.*

**Replacement Car** *You will get a replacement car while your car is being repaired (see About the replacement car service for conditions).*

...

### ***Can I choose my own repairer/garage?***

*You can take your car to a repairer of your choice but if you do so, you won't be entitled to the benefits available under the nominated repairer scheme and there will be an additional excess to pay as shown on your schedule of insurance.*

*You will also need to submit a repair estimate to your insurer for authorisation before the work can start, which may delay the progress of your claim and the repairs to your car.*

...

## ***Section 2***

### ***Damage or loss caused by fire or theft***

*You are covered for fire, theft, attempted theft or lightning damage to your car/s. If your car is damaged or lost because of theft, attempted theft, fire or lightning there are four ways your policy can help you get back on the road again. Your insurer will do one of the following:*

- *Pay for any necessary repairs*
- *Replace your car*
- *Repair the damage*
- *Pay the market value of your car immediately before the loss.*

### ***What isn't covered under sections 1 and 2***

...

*The excesses shown on your schedule of insurance - you will have to pay these if you make a claim*

...

### **How your claims are settled for sections 1 and 2**

*How the insurer will deal with your claim for accident, vandalism, malicious damage, theft, attempted theft, fire or lightning*

*If your car is damaged, your insurer will arrange the transportation of your car to the nearest suitable nominated repairer or a place of storage. Where appropriate they will also return it after repair to the address shown on your schedule. Alternatively, they will cover the reasonable cost of doing this.*

...

### **Repairs and replacement parts**

*Once we have your claim details, if the loss or damage is covered and agreed, your insurer will arrange the repairs to your car. Your insurer may use parts or accessories that aren't made or supplied by your car's manufacturer, including recycled parts of similar type and quality to those being replaced.*

### **Costs you have to pay:**

*The total excess that applies to your claim. Your compulsory and voluntary excesses are based on you using your insurers nominated repairer. If you use a different repairer, there will be an additional excess to pay as shown in your schedule of insurance.*

### **General conditions**

*You must comply with the conditions below. If you don't, depending on the circumstances, your insurer may be entitled to cancel the policy, refuse to deal with your claim or reduce the amount of any claim payment.*

...

### **Your Insurer has the right to:**

- Carry out the repair; and
- Take over and conduct the defence or settlement of any claim under the policy for its own benefit. This includes taking proceedings in your name, or in the name of any other person claiming under the policy, at its own expense. Save in respect of the excess, your insurer has the right to retain sums recovered in full insofar as they reflect the diminution in value of the vehicle.

*These actions may be taken in your name or the name of any insured person.'*

This last clause is very important for Mr C to understand. It is only Advantage's decision as to whether the car is repairable or whether it's deemed a total loss. This is standard in every motor policy in the UK, so I don't find it unusual or significant. The reason Advantage (or any other motor insurer) is entitled to make this decision is because it has insured the risk which is the market value of the car immediately before the claim.

So, there is no requirement in real terms for Mr C to 'authorise' the repair as he has stated in his complaint form. This is because in making the claim to Advantage, Mr C in effect has already given his consent to have his car repaired, if it's possible to do so. There is also no duty on Advantage to provide the full costs of the repair either, as it has confidential arrangements with its approved repairers which are commercially sensitive. This is the same

for other insurers who used their own approved repairers to repair the cars of their customers when they make a claim.

Further as detailed above, there is no requirement for the repairer to use brand new parts from the manufacturer either. And as stated above, the repairs are guaranteed for five years. Again, this is standard across the motor insurance industry, so I don't find it unusual or significant either. Advantage, in any event, confirmed it used new parts so I can't see why Mr C feels disadvantaged. I can't see how that would affect its market value except for the fact the car has now been the subject of an insurance claim and required repair due to what the thieves did. Obviously, Advantage is not responsible for that.

Further as detailed by the investigator in her first view, the repair costs weren't close to 60 or 70% of the car's value so that would mean Advantage, in common with many other motor insurers, would not write the car off but seek to repair it instead.

#### *Mr C's assertion that he wanted to use his own repairer*

Mr C now says that if Advantage had discussed the repair with him, he would have opted to use his own repairer. However, there is no evidence that Mr C or his representative ever told that to Advantage given the contents of the call recordings of 10 and 12 July. As the investigator detailed in her first view there is no reason given the contents of the call recordings that Advantage could have been aware that Mr C might possibly want to use his own repairer.

In using one's own repairer, the excess is larger, and quotes need to be obtained which then need approval from Advantage, and of course there is no guarantee of any five year warranty either. So, I'm not persuaded that Advantage was aware of the possibility that Mr C would want to use his own repairer as there is no evidence Mr C intimated this to Advantage throughout the process.

Plus, Advantage also provided Mr C with a courtesy car in accordance with its policy terms. Mr C now says he never needed a courtesy car as he had another method of transport but again, I can see no evidence Mr C told this to Advantage. In the call recordings of 5 and 10 July it's clear Mr C said he did want a courtesy car. Therefore, I can't see that Advantage did anything wrong here.

#### *Lack of updates*

Mr C said Advantage continued to contact Mr C via email instead of using his representative's email address as requested. Like the investigator although this might have caused some irritation and frustration, I don't consider it impacted the claim or delayed it. Advantage also showed us that the approved repairer attempted to make contact with Mr C on 1 August, 13 August, 14 August, 19 August, 23 August and 27 August 2024 and left messages either by text or voicemail. This shows there were adequate attempts by the approved repairer to keep Mr C updated.

#### *Conclusion*

Going through the contents of Mr C's complaint form I have the following conclusions. Given the standard policy terms in Advantage's policy, there is no requirement that Mr C must authorise or agree to the repair of his car. That remains a decision only made by Advantage.

There is also no requirement for Advantage to disclose the costs of the replacement parts, or whether they are manufacturer's new parts or second hand refurbished parts or simply

generic parts, as the policy doesn't promise only new parts from the manufacturer will be used. Motor insurers invariably have commercial arrangements with its approved repairers which are commercially sensitive and therefore would not be in the public domain.

If Mr C was unhappy with the repairs or he thought that they were faulty or not up to standard, the onus of proving this rests on him to provide that evidence from an independent engineer. There is no onus on Advantage to instruct any independent engineer to report on this. So, there is no evidence that Advantage didn't reinstate Mr C's car back to its pre-incident condition. There is no responsibility on any motor insurer to reinstate a car back to the manufacturer's condition when it was made either, as that would be a form of betterment which is not insured under this policy or any motor policy in the UK.

Advantage accepted Mr C's claim and repaired his car in accordance with the terms and conditions of its policy to include using new manufacturer parts and to include providing him with a courtesy car. Its approved repairers also made several attempts to keep Mr C updated throughout the repair. Therefore, on this basis I don't consider Advantage has done anything wrong here.

### **My final decision**

So, for these reasons, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 July 2025.

Rona Doyle  
**Ombudsman**