

## **The complaint**

Mrs H complains about Advantage Insurance Company Limited's offer to settle her motor insurance claim.

## **What happened**

In January 2025 Mrs H's car was damaged in an incident with a third-party's vehicle. She claimed for the loss against her Advantage motor insurance policy. Advantage considered the car to be total loss. It offered her a settlement based on a market value of £7,696. Mrs H wasn't satisfied with the valuation. She felt it wasn't enough to cover a suitable replacement vehicle.

Advantage responded to Mrs H's complaint. It explained it had based its market value on the average of four guide valuations for her vehicle. It wasn't persuaded by adverts, Mrs H had provided, to increase its market value. It said some of the examples didn't provide for a useful comparison - for instance having different mileage or year of registration to Mrs H's car.

Still unsatisfied with Advantage's valuation of her car, Mrs H came to the Financial Ombudsman Service. To resolve her complaint, she would like a settlement of £8,500.

Our Investigator, having considered the evidence, was of the opinion Advantage's market value was fair and reasonable. So he didn't recommend it increase its settlement offer. As Mrs H didn't accept that proposed outcome, the complaint was passed to me.

## **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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mrs H and Advantage have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Mrs H's policy covers her car against damage. The policy provides Advantage with different ways of settling a claim. One is paying the market value of the car immediately before the loss. The policy defines market value as the cost of replacing the car in the United Kingdom at the time of loss with one of the same make, model, age and condition.

So I've considered if Advantage's offer to settle Mrs H's claim is fair and in line with these terms. When looking into these types of complaints we check trade guides, adverts and other relevant evidence. We consider whether the insurer has made a reasonable offer in line with the evidence. We generally find the guides persuasive as they're based on nationwide research of likely selling prices, so they can be more reliable than individual adverts. But as I've said we do consider other evidence.

I've considered four valuations provided by Advantage. These were for the specific make, model, age and specification of Mrs H's car - using appropriate mileage of around 104,000. The valuations produced were £7,350, £7,289, £7,556 and £8,590. I've also considered various adverts, provided by Advantage and Mrs H, for cars of the same make and model. Having done so I'm satisfied Advantage's settlement offer is fair - even though it's based on a market value of £7,696, that's lower than the highest value given by the guides.

Mrs H provided some adverts with asking prices higher than Advantage's market value. However, Advantage and Mrs H herself have provided several adverts, for cars of the same age and with comparable mileage to Mrs H, that offered at a price below or very close to the £7,696 figure.

Considering all the adverts together I'm persuaded Advantage's market value is sufficient to cover the cost of replacing Mrs H's car with one of the same, make, model, age and condition - as required by the policy terms.

Mrs H has said she spent £700 on various items, including tyres. However, that is expenditure required to keep the vehicle on the road. I'm not persuaded it would likely increase the value above the trade guide valuations and the prices in the relevant adverts. Instead, a failure to appropriately maintain a vehicle may result in its value being below trade guide valuations.

Finally, Mrs H has said many adverts are for cars a significant distance from her. I note her point about the risk of travelling a distance without any certainty of a purchase. She feels she shouldn't lose out in this respect when the loss of her car wasn't her fault.

I appreciate Mrs H's frustration. However, the policy's definition of market value refers to the cost of replacing her car in the United Kingdom. So it's reasonable for adverts and values of vehicles throughout that area to be considered when estimating a market value. In addition, her policy covers her for the market value of the car itself. It doesn't cover her for any inconvenience or incidental expenses incurred in the process of sourcing the replacement.

To conclude, I'm satisfied Advantage's offer to settle the claim is fair and reasonable - with it being based on a market value that meets the terms of Mrs H's policy. That means I'm not going to require it to increase its offer or do anything differently.

### **My final decision**

For the reasons given above, I don't uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 22 August 2025.

Daniel Martin  
**Ombudsman**