

## **The complaint**

Miss L complains about how Advantage Insurance Company Limited ('Advantage') handled a claim made on her car insurance policy, including the valuation it placed on her car after writing it off.

## **What happened**

Miss L was involved in a road traffic accident with another vehicle in October 2024, so she contacted Advantage to make a claim on her car insurance policy.

After making the claim, Miss L was offered a replacement vehicle but didn't find the size to be suitable for her needs. Advantage responded by agreeing to provide a larger sized vehicle. Advantage subsequently decided Miss L's car was a total loss, at which point it requested the hire vehicle be returned.

Miss L complained to Advantage about the valuation it had placed on her car, and the service she had received.

Advantage provided a final response to the complaint on 17 November 2024. It didn't uphold the complaint and said it valued the car using four motor valuation guides which produced valuations of £11,900, £11,731, £12,114 and £11,513, but the final valuation its engineers used was £12,114, which was higher than the average of the guides. It also said it hadn't yet received an admission of liability from the third party insurer, so Miss L's excess was payable under the terms of the policy. But it would continue to pursue the third party insurer for an admission of liability.

Dissatisfied with this response, Miss L referred her complaint to us.

Our investigator didn't think Advantage had acted unfairly. In summary, he said:

- Miss L had to wait a week for her car to be collected and taken to the garage, but this wasn't an unreasonable timescale and was due to availability of the garage. In addition to which, the impact to Miss L was mitigated by Advantage supplying her with a replacement vehicle.
- Miss L's policy only entitled her to a small replacement courtesy car while her vehicle was being repaired, but Advantage went beyond this by providing her with a larger hire vehicle. Under the policy terms, Advantage wasn't required to continue to provide a replacement vehicle after deeming Miss L's car a total loss. In addition to which, Advantage paid Miss L £100 compensation to how it had handled a call with her about the hire car.
- Advantage didn't act unfairly by charging Miss L her policy excess as the terms of the policy required her to pay this, and because the excess is an uninsured loss, Advantage wasn't required to claim the excess back for Miss L.

- Having checked motor valuation guides, the investigator found that the £12,114 valuation used by Advantage was a fair and reasonable pre-accident value because it aligned with the highest valuation produced by the guides. Though an advert showed a car available for a higher price than this, it wasn't comparable as it was a newer vehicle than Miss L's.

Miss L didn't agree saying that she only paid the £395 excess fee because she was advised by Advantage she would get this back. Because Miss L didn't agree, the complaint was referred 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, while I understand Miss L will be disappointed, I've decided not to uphold this complaint. I'll explain why.

I've looked at the policy terms and these say the insured will be eligible for a courtesy car if they use Advantage's nominated repairer, but a courtesy car will only be provided when repairs are being carried out and will usually be a group A vehicle – meaning a smaller car.

This isn't unusual as many car insurance policies under the basic courtesy car benefit will similarly only provide a small vehicle while repairs are being carried out on the insured's vehicle.

The terms also say that optional substitute vehicle cover is available which if taken out would entitle the insured to claim for the cost of a hire car even if their car was declared a total loss. However, Advantage said that Miss L was only eligible for a courtesy car, implying that she had not taken this option out. And having reviewed the evidence available including the policy documents, I've seen nothing showing Miss L took out the optional substitute vehicle cover.

I acknowledge Miss L was dissatisfied with the courtesy car she was offered because of its size and because it wasn't an automatic. But I think Advantage acted in accordance with the terms of the policy by offering a smaller vehicle, and ultimately, if Miss L had required more than this she would have needed to take out the optional hire car cover.

However, although Miss L didn't have the optional hire car cover, Advantage still agreed to provide Miss L with a larger hire vehicle and given that she only had basic courtesy car cover, I find this to be more than fair. Although Advantage required the hire car to be returned upon declaring Miss L's car a total loss, the policy terms explicitly said a courtesy car wouldn't be provided if the insured vehicle was a total loss. So I don't think it was unfair of Advantage to recall the hire car Miss L was provided once it determined her car was a total loss.

Additionally, Advantage acknowledged it could have handled a call with Miss L better because it should have asked at the outset of the call why Miss L didn't think the replacement car offered was suitable rather than 40 minutes into the call. It agreed to pay £100 compensation for this, which I find to be fair and reasonable for the distress and inconvenience caused.

Miss L says that the accident happened on 14 October 2024, but her car wasn't picked up until 29 October 2024, during which time she was without a car. However, Advantage says that she was provided a hire car from 18 October 2024 until 15 November 2024, and it has a

provided a copy of the hire car invoice which confirms these dates. So, I think the actual length of time Miss L was without a car was much shorter. And although there was a brief delay in collecting Miss L's car to the garage due to the availability of the garage, I think Advantage reasonably mitigated the impact of this by supplying Miss L with the hire car.

Miss L was dissatisfied with having to pay the policy excess due to the accident not being her fault and Advantage not assisting by reimbursing her the excess after liability was accepted by the third party.

The policy terms say that the excess is payable regardless of fault though, which isn't unusual in car insurance policies. The excess essentially is the portion of a claim which the insured is contractually required to pay in the event of a claim. As such, it is an uninsured loss and so the insurer is not obligated to reimburse it.

Consequently, I don't find it unfair that Advantage charged Miss L an excess and didn't reimburse it to her. Ultimately, if Miss L had decided not to pay the excess, it is likely that Advantage would not have progressed her claim given the policy terms required her to pay it.

Given that an admission of liability has now been received from the third party, if the excess still remains outstanding, Miss L may either want to request reimbursement directly from the third party's insurer, or ask the solicitor instructed to deal with her personal injury claim to include the excess in the claim it is pursuing on her behalf.

I've lastly considered if Advantage unfairly valued Miss L's car. I should say here it isn't the role of this Service to work out what the exact value of a vehicle is. We instead look at whether the insurer has applied the terms of the policy correctly and valued the vehicle fairly.

The policy terms say that Advantage will settle a claim by either paying for repairs, replacing the car, or paying the market value of the car immediately before the total loss. The terms define the market value as the cost of replacing the car with one of the same make, model, age and condition immediately before the loss happened. This is typical of how car insurance policies will usually settle a claim for a car which is a total loss.

Advantage valued the car by using motor valuation guides, which is standard industry practice and isn't unreasonable given that the valuations these guides provide are generally based on the prices of similar cars for sale.

Advantage obtained valuations from four different guides, which were £11,900, £11,731, £12,114 and £11,513. And it settled the claim using the highest valuation these guides produced of £12,114. Our investigator also checked the valuation guides, and with the exception of one of the valuations being £11,548 instead of £11,513 the remaining valuations were the same as those Advantage obtained.

Given that the range of valuations are closely aligned and Advantage settled the claim based on the highest valuation of the four, I find this to be strong evidence that its settlement was a fair pre-accident market value. I can see that in Advantage's submissions it found an advert for a vehicle of the same make and model for sale for £12,350, but this is only one advert, is for a car one year newer than Miss L's, and the price isn't far from the £12,114 valuation. So, I don't think it shows Advantage's valuation was unfair.

Miss L says that she didn't think the amount Advantage paid was a fair market value, but other than her comments I haven't seen any further evidence from her which would persuade me that she likely wouldn't have been able to replace her car with one similar at

the time of loss with the valuation Advantage used. So, on balance I find the evidence here shows Advantage did not unfairly value the car.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 14 August 2025.

Daniel Tinkler  
**Ombudsman**