

## **The complaint**

Mrs O complains that Advantage Insurance Company Limited (“Advantage”) mishandled a claim on her motor insurance policy.

## **What happened**

The subject matter of the insurance, the claim and the complaint is a sports utility vehicle, first registered in 2016.

Mrs O acquired the vehicle in July 2024. For the year from late July 2024, Mrs O insured the vehicle on a comprehensive policy with Advantage. The policy documents said the value of the vehicle was £7,340.00. Mrs O had nine or more years no-claims discount. Any claim for theft was subject to an excess of £695.00.

Mrs O reported to Advantage that on 25 January 2025, someone had stolen the car.

On about 5 February 2025, Advantage estimated the vehicle’s mileage at about 126,000 and said that its pre- theft value had been £7,892.67.

Mrs O complained to Advantage that it was under-valuing the vehicle.

On 10 February 2025, Mrs O sent Advantage advertisements for similar vehicles.

On about 12 February 2025, Advantage paid Mrs O as follows:

valuation	£7,892.67
less excess	£ 695.00
paid	£7,197.67

By a final response dated 22 February 2025, Advantage turned down the complaint.

Mrs O brought her complaint to us in late February 2025.

On about 1 April 2025, someone found the vehicle, with a recorded mileage of about 119,500.

Advantage still treated the vehicle as a total loss. It increased its pre-loss value by £137.99 to £8,030.66.

On about 7 April 2025, Advantage paid Mrs O £137.99.

Our investigator didn’t recommend that the complaint should be upheld. She thought that Advantage’s valuation was fair and was supported by the evidence.

Mrs O disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- She could not find a replacement vehicle at the value Advantage gave her.
- She kept the vehicle on payment of a over-valued salvage fee.
- She ended up paying more to get the car back on the road as a category S vehicle.

### **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.

#### Scope of this decision

The Financial Conduct Authority's dispute resolution rules are binding on the Financial Ombudsman Service.

One such rule is that, before we can investigate a consumer's complaint, the consumer must first have made that complaint to the regulated firm and waited for up to eight weeks for a final response.

It sometimes happens that a consumer makes a complaint to the firm, receives a final response and brings the complaint to us, but with the addition of more recent points of complaint. In such circumstances, the rule means that we can deal with the initial complaint, but the consumer would have to make the additional complaint to the firm and wait for a final response before we could investigate that.

Also, we have to operate a two-stage process under which an investigator gives an opinion and, if either party asks, an ombudsman gives a final decision.

Mrs O complained to Advantage about its valuation, received a final response and brought her complaint to us, all before someone found her vehicle, Advantage increased the valuation and Mrs O decided to keep the vehicle.

The investigator gave an opinion on the increased valuation but didn't give any opinion about the complaint about the salvage value. I'm satisfied that this was in line with the rules. I will make findings about the increased valuation but not about the salvage value.

#### Pre-theft valuation

Advantage's policy terms required it to compensate Mrs O for her vehicle'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".*

We expect an insurer to value a used car by reference to retail figures in certain trade guides. That's also our starting point.

The trade guides figures I've seen were based on a mileage of about 119,500. I accept that this includes some mileage after the theft. However, I haven't seen any evidence that this extra mileage made a material difference to the valuations.

The trade guides figures are as follows:

CAP	£6,435.00
Percayso	£7,940.00
AutoTrader	£8,050.00
Glass's	£8,100.00

So there is a range of valuations. Advantage's valuation of £8,030.66 is £69.34 (or less than 1%) lower than the highest trade guide figure.

Mrs O's evidence includes advertisements for vehicles of the same model and year as hers. However, most of those adverts were for a better version of that model. Also, the only mileage quoted was 105,000, so less than Mrs O's vehicle.

Furthermore, Advantage provided three adverts for vehicles of the model and year as Mrs O's, all priced under £8,030.00 and with lower mileages than Mrs O's (and two of them were the better version of the model).

So I'm satisfied that Advantage's valuation of £8,030.66 was enough to enable Mrs O to buy a like- for- like replacement vehicle. I'm also satisfied that Advantage acted fairly and reasonably and in line with the policy terms.

Therefore I don't find it fair and reasonable to direct Advantage to increase its valuation or to do any more in response to this complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Advantage Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 2 October 2025.

Christopher Gilbert

**Ombudsman**