

## The complaint

Miss G complains about Advantage Insurance Company Limited's ("Advantage") valuation of her car following a claim under her car insurance policy.

## What happened

Miss G's car was written-off but she wasn't happy with the valuation reached by Advantage for her car. Miss G complained and said the settlement offered by Advantage wouldn't allow her to replace her car on a like for like basis. Miss G also complained that she'd been misadvised about a claim she wanted to make for her uninsured losses.

Advantage responded and explained they use industry standard valuation guides to value a vehicle. They said this takes into account factors such as the age, make, model, mileage and specifications of a vehicle. They said they'd used four valuation guides which provided an average of £5,069. Advantage said they'd valued Miss G's car at £5,282, which was above the average. Advantage said they'd also looked at adverts, and this supported their valuation. In relation to Miss G's complaint about being misadvised about instructions being sent to a law firm for a claim for uninsured losses, Advantage accepted their service had fallen below a reasonable standard and paid £100 compensation.

Our investigator looked into things for Miss G. She thought Advantage had offered a fair settlement for Miss G's claim. Miss G disagreed so the matter has come to me for a decision.

## 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've decided not to uphold the complaint. I understand Miss G will be disappointed by this but I'll explain why I have made this decision.

My starting point is Miss G's motor insurance policy booklet. This sets out the terms and conditions and defines 'market value' as, "*The cost of replacing your car...at the time the loss or damage occurred with one of the same make, model, age and condition...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...*"

In the event of a total loss, Advantage are required to pay Miss G the market value of her car. In assessing whether a reasonable offer has been made, we obtain valuations from motor valuation guides. These are used for valuing second-hand vehicles. We find these guides to be particularly persuasive, largely because their valuations are based on nationwide research of likely selling prices. The guides refer to advertised and auction prices to work out what the likely selling price for the same vehicle would be.

Miss G is unhappy with Advantage's valuation of her car as she thinks it's worth more. I've seen that Advantage reached their figure by using industry recognised tools to find out the market value of the car. They obtained four valuations: CAP gave a valuation of £4,625, Glass's was £4,970, Percayso was £5,264, and AutoTrader was £5,417. Advantage initially offered Miss G £5,069 – which was the average of the four valuations. Miss G rejected this offer and Advantage then increased their offer to £5,282 – which they said was based on market examples. Advantage then paid this amount to Miss G.

I can see our investigator also obtained four valuations: CAP gave a valuation of £4,475, Glass's was £4,970, Percayso was £4,769, and AutoTrader was £5,392. In this case, the valuation of £5,282 is higher than three of the valuations obtained by our investigator but below the highest valuation. It's for Advantage to show their valuation is enough to allow Miss G to purchase a replacement vehicle. From the information I've seen in this case, I think the offer of £5,282 is fair. I say this because, firstly, the offer is broadly in line with the highest valuation guide – in this case it's 2% below. There is a difference between the highest valuation obtained by our investigator (£5,392) and Advantage (£5,417). But even if I take into account Advantage's highest valuation, their offer is 2.5% below this. So, again, I think this is broadly and reasonably in line with Advantage's highest valuation.

Different valuation guides use different methods to value vehicles. So, our service uses multiple valuation guides to ensure a fair market value is reached – as this reduces the chance of consumer detriment. I've used the valuation guides as a starting point, but I've also taken into account other evidence provided by Advantage to support their offer. Advantage have provided adverts for four cars – all four being the same age, make and model of Miss G's car. There's one which has over 13,000 more mileage and was priced at £4,500, and another with over 16,000 more mileage and was priced at £4,795. The one which Advantage are relying on has 3,000 more mileage and is priced at £4,975 and another with over 21,000 less mileage is priced at £6,295. These adverts support Advantage's valuation and demonstrate, together with the valuation guides, that Miss G would be able to replace her car with a like for like vehicle.

Miss G has provided an advert for a car which is the same make, model and age as her car, but with around 6,000 more mileage. This car is priced at £5,995. I agree this shares a number of similarities with Miss G's car, yet is priced higher than Advantage's valuation. But this alone doesn't mean that Advantage's offer is unfair. As I've mentioned, the valuation guides and the adverts provided by Advantage demonstrate their offer is enough to allow Miss G to purchase a replacement car.

Miss G also raises the point that any valuation would need to take into account the colour of her car and that the colour is a material factor affecting the price. I have taken this into account but the policy's definition of 'market value' doesn't say it will take into account the colour of a vehicle and I haven't seen any evidence which persuades me that, in the circumstances of this case, the colour is a factor which has affected the price of the car. I acknowledge Miss G says the reason she originally picked the colour she did was from a safety perspective and to be more visible on the road. I understand Miss G's reasons for this, but I can't say this should, in the circumstances of this case, lead to a higher valuation for the reasons I've mentioned above.

I've seen that Miss G has provided a report from an overseas university which carried out some research into a vehicle colour and crash risk. This found that, compared to white vehicles, a number of colours were associated with higher crash risk – and these colours were generally those lower on the visibility index. I have reviewed this report but I also have to take into account factors such as what our service considers a fair and reasonable approach to be in cases involving motor valuation, whether Advantage have acted in line with this approach and offered Miss G a fair value for her car, as well as the evidence I've

seen which supports both the approach and settlement offer. And, for the reasons I've mentioned above, I'm persuaded Advantage's offer was fair.

I can see Miss G has also complained about misinformation she was given about her claim for uninsured losses and about a referral being made to a law firm. There's no dispute between the parties that Advantage made an error here and I can see they paid Miss G £100 compensation for this. Given the impact on Miss G of this error and the duration of this impact, I think the £100 compensation paid is fair and reasonable in the circumstances.

My role here is to consider whether Advantage have offered Miss G a fair value for her car. And based on the reasons I've mentioned above, I think they have - and I haven't seen any evidence that persuades me the motor trade guides our service uses to assess whether a fair value has been reached, shouldn't be used here. And given that Advantage's offer of £5,282 is reasonably in line with the highest value provided by the motor trade guides and is supported by adverts as well, I think they've offered Miss G a fair market value.

### **My final decision**

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 13 February 2026.

Paviter Dhaddy  
**Ombudsman**