

The complaint

Mr W complains about the valuation placed on his vehicle by Advantage Insurance Company Limited (Advantage) when he made a claim on his motor insurance.

What happened

Mr W had motor insurance underwritten by Advantage. His car was involved in an accident and Advantage decided it couldn't be economically repaired. Advantage placed a market value on the car of £12,888, and paid him £12,493 after deducting the excess of £395.

Mr W wasn't happy about this as he said the valuation was too low, especially when taking into account the extra features his car had. He was also unhappy that Advantage paid the settlement figure without consulting him or giving him the opportunity to provide evidence. He complained to Advantage. Advantage said it values vehicles using industry standard guides, which provide a figure based on the make, model, mileage, condition, specification and age of a vehicle. Advantage said these guides use actual motor trade information, so what a vehicle of similar specification is sold for, rather than online examples which tend to be a seller's highest expectation and open to negotiation. The guide figures Advantage obtained for Mr W's car were £11,595, £11,590, £12,286 and £12,888.

Advantage said that its engineers compared the guide figures to market research and were able to evidence that increasing the valuation to the top guide figure was justified.

Advantage also awarded Mr W £75 in recognition of a delay in responding to his complaint.

Mr W wasn't happy with what Advantage said and complained to this service. Our investigator didn't uphold his complaint. He said he obtained valuations from the guides of £11,520, £11,720, £12,632 and £12,890. Advantage's valuation of £12,888 before deduction for excess sat at the top of these valuations so the investigator thought it was fair. The investigator took into account the other evidence Mr W and Advantage provided, including adverts for similar cars for sale and the extra features.

The investigator said one advert, provided by both Mr W and Advantage, was an outlier because it was a younger car with lower mileage and was being advertised at a higher price than expected for the year, model and mileage. Of the remaining two adverts Mr W provided, the investigator said one was for a car of the same age but with 25,310 miles less than Mr W's car and the other was for a newer model with 8,241 less miles.

Advantage provided two adverts for newer cars than Mr W's with similar mileage - with the valuation for his car sitting between the two. The investigator said that the settlement provided by Advantage was therefore in line with both the top valuation from the industry guides and newer cars for sale with similar mileage to Mr W's, so he was persuaded that Advantage's valuation was fair.

The investigator said that, according to the policy terms and conditions, Advantage could settle Mr W's claim without referring to him for his agreement.

Finally, the investigator also said the £75 compensation for the delay in responding to Mr W's complaint was fair.

Mr W wasn't happy with what the investigator said, so his complaint has been passed to me. Mr W wants Advantage to revise the settlement to reflect what he says is the actual market value of his car of £14,495 to £14,990 plus interest, taking account of the full range of premium features, and pay reasonable compensation for distress.

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.

When considering this type of case, this service's approach is to use all the available evidence to assess whether the insurer acted in line with the policy terms and paid the policyholder a fair market value for their vehicle.

Mr W's insurance policy documents with Advantage stated:

"If your car/s is damaged or lost because of an accident, vandalism or malicious damage 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."*

Market value was defined as:

"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 [name] 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."

This service's starting point when looking at whether a business has placed a fair market value on a vehicle is the industry valuation guides. If the valuation provided by the business is in line with the guides, we're likely to say it's fair. However we will also look at other information provided by the business and the consumer, including adverts for comparable vehicles.

The insurer needs to show that the valuation is enough to allow the consumer to buy a replacement vehicle. That doesn't necessarily mean the insurer needs to offer the highest valuation available.

I have considered the guide valuations. Advantage valued Mr W's car at £12,888 and the highest valuation our investigator obtained from the guides was £12,890. So I would say that Advantage's valuation was fair in relation to the guides.

I have also considered the other information provided. Mr W's car was a 2017 model with a

mileage of 53,241 at the time of the accident.

Mr W provided adverts for one 2017 car with 50,966 miles advertised at £14,490; one 2017 car with 27,931 miles advertised at £14,990; and one 2018 car with 45,000 miles advertised at £14,495.

Advantage provided one advert the same as Mr W's first example; one 2018 car with 47,495 miles advertised at £13,399; and one 2018 car with 57,390 miles advertised at £12,529.

This service wouldn't expect an insurer to take the highest advertised price as being the market value, but to take an overall view of all the available information. The first car advertised at £14,490 is well outside both the guides and the other comparable adverts, so it is fair and reasonable to discount it. The other two adverts provided by Mr W weren't for comparable vehicles – one had significantly lower mileage and the other was newer with lower mileage. The adverts Advantage provided were for newer cars, one with slightly higher mileage and one slightly lower. Advantage's valuation sat between the two.

Therefore I am of the view that taking the guides and the adverts into account the market value Advantage placed on Mr W's car was fair and reasonable.

I have also taken into account the fact that Mr W said that his vehicle came with several factory-fitted extras that played a significant role in its overall value compared to the standard model. These included a driving assistance package, front and rear reversing cameras, leather upholstery, automatic boot door opening, electric mirror folding and satnav. He said these extras had an estimated combined value of approximately £5,000.

The investigator referred the extras Mr W had on his car to this service's valuations team who confirmed that the folding mirrors weren't a separate option and were most likely part of the driving assistance pack. The industry valuation guides advised that the driving assistance pack had no impact on the valuation of the car. The guides also confirmed that the leather interior, satnav and boot opener were included with the vehicle as standard.

The options of the parking distance control, reversing camera and heated front seats only affected the valuation of £11,720, raising it by £125 which is still significantly lower than Advantage's valuation of £12,888. These options were included in the valuation figures from the other guides.

Therefore I am of the view that the extras didn't increase the market value of Mr W's car and so taking all the available information into account, the market value of £12,888 that Advantage placed on the car was fair and reasonable.

Mr W has also complained that Advantage decided on the settlement value of his claim without consulting him. I note that his policy documents with Advantage said:

"Your insurer has the right to:

...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...

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

This is a common term in motor insurance policies and one which this service considers fair and reasonable. It meant that Advantage could decide how to settle the claim without having to consult Mr W.

Finally, Mr W says Advantage should pay him more compensation for distress. He hasn't provided any details about the distress he says he suffered. I note that Advantage has awarded him £75 compensation for the delay in responding to his complaint. This is in line with what this service would award in the circumstances, so I'm not going to ask Advantage to pay more.

So in conclusion I think that Advantage acted fairly and reasonably and in line with Mr W's policy terms and conditions when settling his claim.

My final decision

For the reasons given above, I don't uphold Mr W's complaint. So I won't be asking Advantage Insurance Company Limited to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 March 2026.

Sarah Baalham
Ombudsman