

## **The complaint**

Mr L complains that Advantage Insurance Company Limited (“Advantage”) mishandled a claim on his motor insurance policy.

## **What happened**

The subject matter of the insurance, the claim and the complaint is a small multi-purpose vehicle first registered in July 2013.

Mr L acquired the car no later than late December 2022, the date of its most recent V5 registration document.

For the year from 16 July 2025, Mr L had the car insured on a comprehensive policy with Advantage. The policy covered him and a named driver.

Unfortunately, Mr L reported to Advantage that on about 18 July 2025, a third party had damaged the rear of the car.

Advantage instructed a vehicle salvage company, which looked at photographs of the damaged car and said it was a total loss in salvage category “S” (structural).

Mr L wanted to keep the damaged car and get it repaired. Mr L complained to Advantage that the car should be in category “N” (non structural).

By a final response dated 4 September 2025, Advantage turned down the complaint.

Mr L brought the complaint to us in mid-September 2025.

Mr L arranged for an engineer to visit his home and inspect the car in late October 2025. The engineer said that there was no structural damage and that the vehicle should be in category “N”.

Our investigator recommended (on 31 October 2025) that the complaint should be upheld. He thought that the in-person inspection was more persuasive. He recommended that Advantage should:

- amend the vehicle’s record to “Category N”; and
- reimburse Mr L for the reasonable cost of the independent inspection; and
- provide confirmation to Mr L in writing once the amendment has been made.

Advantage provided further information.

Our investigator still recommended (on 10 November 2025) that the complaint should be upheld. He still thought that the in-person inspection was more persuasive. He recommended that Advantage should:

- amend the vehicle's record to "Category N"; and
- reimburse Mr L for the reasonable cost of the independent inspection; and
- provide confirmation to Mr L in writing once the amendment has been made.

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

- The images provided by Mr L strongly support its categorisation of the vehicle being correct at the time.
- Its in-house engineers agree with the salvage company that the car was in category "S".
- Mr L was responsible for delay between July and October 2025.
- The engineer who did the report in October 2025 inspected the vehicle a few months after repairs were carried out.
- Any change in categorisation of the vehicle would only be due to the repair work carried out.
- To change the category placed on the vehicle would also not be declaring full and accurate information to any prospective future buyers of Mr L's vehicle.

Mr L provided further information including a garage repair invoice dated 31 July 2025 for £774.59.

### **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.

On 29 July 2024, the car passed an MOT test with a recorded mileage of about 50,000. The MOT certificate was due to expire on 28 July 2025.

The accident on about 18 July 2025 caused damage to the rear of the car.

I haven't seen any evidence that Mr L or the named driver had any repairs (let alone structural repairs) carried out between the accident on about 18 July and 24 July 2025, when the car failed an MOT test with major defects of a broken offside rear coil spring and a major exhaust leak at the front. The test also noted damage to the offside rear light unit.

On 28 July 2025, the car's MOT certificate expired.

From the repair invoice dated 31 July 2025, and from what Mr L and the named driver have said, I find that he had repairs to the offside rear spring, the exhaust and the rear light unit. After those repairs, the car passed an MOT test on 31 July 2025, with a recorded mileage of about 54,000.

I don't find any evidence that Mr L or the named driver had any repair (other than cleaning) to the rear offside wing or wheel arch between the accident on about 19 July and late October 2025 when his engineer inspected and photographed the car.

So I accept that the engineer was able to inspect and photograph the accident damage to the rear offside wing and wheel arch, including the damage that Advantage says was structural.

Mr L's engineer's qualifications included as "Appropriately Qualified Person" for salvage categorisation.

The engineer said the following:

*"Partial removal of the RH rear wheel arch liner was possible to allow access to the structural inner wheel arch, there was no evidence of damage to the inner panel."*

So I find that the engineer had looked behind the wheel arch liner and found no damage to the structural panel.

The engineer said the following:

*"On the basis that the damaged outer rear wing is non structural and there was no evidence of damage to the structural inner rear wing. I believe category N (non-structural) would be appropriate in this instance."*

I'm more persuaded by that engineer's opinion based on a hands-on inspection than by Advantage's salvage company and in-house engineers' opinions based on photographs.

I accept that the damage was not structural and Advantage is responsible for incorrectly maintaining that the appropriate salvage category was S.

### **Putting things right**

So I find it fair and reasonable to direct Advantage not to maintain any internal or external record that the car was in salvage category S, and to change any such record to category N.

I also find it fair and reasonable to direct Advantage to write a letter to Mr L confirming that it has made such changes.

I've thought about the mis-categorisation and the impact of that on Mr L. On balance, I don't consider that there's enough evidence that Advantage caused Mr L distress and inconvenience at a level that calls for compensation in line with our published guidelines.

Mr L has shown us the engineer's company's invoice dated 20 October 2025 for £275.00 ahead of the inspection on 23 October 2025. As Advantage has caused Mr L to incur that cost, I find it fair and reasonable to direct it to reimburse Mr L.

As he has been out of pocket, I find it fair and reasonable to direct interest at a yearly rate of 8%.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint. I direct Advantage Insurance Company Limited to:

1. not maintain any internal or external record that the car was in salvage category S but to change any such record to category N; and
2. write a letter to Mr L confirming that it has made such changes; and
3. pay Mr L £275.00 in reimbursement of his engineer's inspection and report; and
4. pay Mr L simple interest on £275.00 at a yearly rate of 8% from 20 October 2025 to the date of reimbursement. If Advantage considers that it's required by HM Revenue

& Customs to take off income tax from that interest, it should tell Mr L how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 25 March 2026.

Christopher Gilbert

**Ombudsman**