

The complaint

Mr D complains that Advantage Insurance Company Limited (Advantage) unfairly handled a claim under his motor insurance policy, and this led to him incurring a financial loss following the depreciation of his car.

What happened

The circumstances of this case are known to both parties, but in summary Mr D has a motor insurance policy underwritten by Advantage. In June 2025, Mr D was involved in a road collision which led him to claim under his policy. Advantage accepted the claim, but Mr D said it handled this unfairly, and its delays led to him being unable to part-exchange his car as he originally intended. Mr D said that by the time his car was returned to him, the seller provided a lower valuation for his car, and the cost of the car he wanted to buy had since increased. So Mr D complained to Advantage.

Advantage upheld the complaint in part. It recognised that it caused a three-week delay and paid Mr D £250 compensation in recognition of this. However, Advantage didn't agree that it was responsible for his car's depreciation, and that the difference in the valuations provided by the seller wasn't something covered under the policy.

Our Investigator didn't uphold the complaint. They said that Advantage's compensation of £250 was fair and reasonable in the circumstances. And they said that while Mr D had shown the value of his car had decreased in September and October 2025, Mr D hadn't shown that Advantage's actions had led to the depreciation of his car at the point it was returned to him.

Mr D disagreed and asked for an Ombudsman to make a final decision. He said he provided evidence that his car had depreciated in value in September and October 2025, but he couldn't provide any earlier evidence due to receiving medical treatment in July 2025 and recovering in August 2025. Mr D maintained that he could not sell his car in June 2025 due to Advantage's actions.

So, the case has been passed 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.

I know I've summarised the circumstances of this case in less detail than presented. But I want to assure both parties that I've carefully considered all the information provided. I may not respond to every point or piece of evidence. But I've focused on the issues I consider to be key to the outcome of the case. This isn't meant as a discourtesy but reflects the informal nature of this Service – and the rules this Service are expected to adhere to enable me to do this.

While I recognise Mr D will be disappointed with my decision, I don't uphold this complaint. I'll explain why.

My role requires me to decide whether Advantage has treated Mr D fairly in the handling of his motor insurance claim. Relevant regulatory rules say firms must handle claims promptly, and fairly. Insurance claims are rarely straightforward and can take some time to be resolved depending on the parties involved, and evidence required. However, Advantage still has a duty to progress a claim fairly. And so, it has a responsibility to ensure there are no avoidable or unnecessary delays. So, I have first considered the overall timeline of the claim.

Mr D reported the accident on 9 June 2025. He told Advantage the next day that he needed the repair prioritised because he planned to part-exchange his car. Advantage said he could use its approved repairer or arrange his own repairer if he provided an estimate – but it didn't tell him it also needed photos.

Mr D sent an estimate on 13 June, but without photos Advantage couldn't authorise the repair. The claim appears to have then progressed through Advantage's repairer, who received the car on 21 July and returned it on 28 July.

The claims file also shows that Advantage's agent called Mr D a number of times to discuss the hire car, however Mr D found this to be excessive, especially given he hadn't been given a completion date for the repairs. I appreciate this would have caused inconvenience at an already frustrating time.

Overall, the claim took around seven weeks. Advantage's failure to give Mr D all the information he needed caused about three weeks of delay. So, it's clear Advantage caused some unnecessary delay. I recognise this would have been frustrating for Mr D given his request to move things along as quickly as possible.

I have therefore gone on to think about whether Mr D has incurred a financial loss due to Advantage's delays. And having done so, I'm not persuaded he has. Mr D has said that Advantage's delays led to another party valuing his car for a lower amount. However, I haven't seen any evidence to suggest that the valuations Mr D obtained in June were guaranteed, given that one confirmed the car was still subject to an inspection and service history check, and another valued the car at significantly less prior to the accident which Mr D chose not to go ahead with. In addition to this, while I recognise Mr D has provided evidence that he was quoted a lower valuation in September and October 2025, Mr D hasn't provided any evidence of a valuation in July 2025 at the point in which the car was returned to him.

To award compensation for financial loss, I'd need to see a clear link between Advantage's delay and the lower valuation Mr D later received. Based on the evidence, I haven't seen anything showing what the valuation was at the time the car was actually returned to him in July. Without that, I can't reasonably say Advantage's actions caused the reduced valuation he later received in September and October. Car valuations can change for many reasons, including seasonal trends and market movements. The valuations Mr D later received were several months after the claim was concluded, so I can't fairly attribute those changes to Advantage's earlier delay.

I've also taken into account Mr D's comments about his medical treatment. I appreciate that Mr D's medical treatment understandably affected when he could sell his car. But while I'm sorry to hear about Mr D's need for medical treatment, and I'm empathetic to his circumstances, this isn't something Advantage was responsible for.

I recognise it was frustrating that Mr D was unable to sell his car as he originally intended. However, this was in part due to him having been in an accident – which isn't something Advantage is responsible for. This understandably held up Mr D's plans to sell his car. However, on balance, I'm not persuaded Advantage's actions led to Mr D being unable to sell the car for the value he wanted.

But I recognise that the delay in progressing the claim would have been frustrating for Mr D. In recognition of these delays, Advantage has paid Mr D £250 compensation. I don't find this amount to be unreasonable in the circumstances given the three-week delay, incorrect information and repeated contact made by Advantage's agent. This amount is consistent with our award bands where a firm's actions have caused some distress and inconvenience over a number of days or weeks – and is consistent with what I would have awarded Mr D had Advantage made no award.

I appreciate this will be disappointing for Mr D, but for the reasons I've explained, I can't fairly say Advantage should do more.

My final decision

For the reasons I have explained above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 April 2026.

Oliver Collins
Ombudsman