

## **The complaint**

Ms W complains about how Advantage Insurance Company Limited (Advantage) handled and settled a claim she made on her motor insurance policy.

Reference to Advantage includes its agents

## **What happened**

Ms W holds a motor insurance policy with Advantage. When she was involved in an accident, she made a claim to Advantage for the damage caused to her car.

Advantage accepted the claim and deemed Ms W's car a total loss. It initially offered to settle her claim by paying her what it thought was the market value of her car (£1,583.50) before a deduction for a previous write-off.

Ms W didn't think this was enough and disputed Advantage's valuation of her car. As a result, Advantage increased its valuation to £2,490 before the deduction for a previous write-off.

While Ms W's car was being assessed she was provided with a hire car. Ms W complained about the settlement amount being unclear and poor communication throughout the claim.

Ultimately, Advantage apologised and agreed that communication wasn't the level Ms W could have reasonably expected. It offered £75 compensation.

Ms W didn't think the compensation was fair and brought her complaint to us.

Our investigator recommended it be upheld. They thought the final valuation Advantage came to was fair. But they thought Ms W had been inconvenienced due to the lack of communication when the hire car company attempted to collect the car without notice. They recommended Advantage pay an additional amount to increase the compensation to £200. Advantage agreed, but Ms W didn't agree the compensation adequately reflected the scale, duration and impact the claim had on her.

Our investigator reviewed Ms W submissions including the costs she requested. They acknowledged Ms W had been caused distress and inconvenience and recommended an increase in compensation to £300 but didn't think Advantage needed to pay Ms W any of the costs she requested.

Because Ms W didn't agree with our investigator's assessment, the complaint 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've summarised this complaint and what's happened in far less detail than Ms W. It's clear Ms W has very strong feelings about this matter. She has provided detailed submissions and costs to support her complaint, which I have read and considered. I don't respond to every single point made. No discourtesy is intended in that. Instead, I've focused on what I think are the key issues here. The rules that govern this service allow me to do this as we are an informal dispute resolution service.

Ms W's policy says the most Advantage will pay on any claim is the market value of her car. It defines that 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"*.

In order to determine whether or not an insurer has come to a fair valuation, our Service has a set approach. This is to consult the available valuation guides and assess where the insurer's valuation sits within those guides. If the insurer's valuation sits in line with the highest of those guides, depending on whether any other evidence has been provided, we're likely to say the valuation is fair. If, however, an insurer's valuation sits below the highest of those guides, we require the insurer to provide supporting evidence to show that's fair.

Here, the valuation guides returned values of £1,147.00, £1,460 and £1,707.00. Advantage's ultimate settlement amount after the deduction for a previous write-off was £1,805.25, which is higher than the highest valuation guide (valuing Ms W's car on the assumption that it has not previously been written off). I have looked at the adverts Ms W provided, but I agree with the investigator's view that they were not like for like. Therefore, I'm satisfied Advantage's final valuation is a reasonable one, and in line with our approach. So in light of the above, I'm not going to require Advantage to increase its valuation further. I've not been provided any persuasive evidence to show a higher value is fair, or that were a like for like car available for sale, this settlement wouldn't have been enough to purchase it.

I have thought about the costs Ms W asked Advantage to pay, including: an increased policy premium, loss of tax on her car, a shortfall from the new vehicle purchased, travel expenses, loss of work, health treatments and stress related costs.

In respect of the claim for loss of work, I accept Ms W's car could be used for work purposes, but I haven't seen any evidence that Advantage would have been aware that the car was essential for Ms W's work. During the time the claim was assessed, Ms W was provided with a hire car to keep her mobile. Regarding the road tax, if a motor vehicle isn't being used, it can be declared as being off the road through a Statutory Off-Road Notification (SORN). This mitigates the need to pay road tax, and this is something Ms W was able to do.

Ms W has said that replacing her car was more expensive, she has also said there has been an increase to her car insurance policy. But I don't think I can reasonably hold Advantage responsible for these additional costs because Advantage has paid the market value for the car. Ms W has chosen to replace her car with one that isn't the same as hers, something she's entitled to do. But Advantage need only pay her the market value of her car, not the value of the car she chooses to replace it with. Nor is it responsible for the cost of insuring that new car.

Ms W has said she incurred costs for travel expenses, but when the investigator asked for evidence, they didn't receive anything. I don't think it would be fair to Advantage to ask it to reimburse the cost without any evidence. But even so, I'm not persuaded the expense she's incurred Advantage would need to pay for. She's claimed for inspecting her new car, as well as travel for collection. These are simply costs she's not insured for.

I've also considered what Ms W has explained about the impact the claim had on her health. However, Ms W hasn't provided any medical evidence to show that Advantage made her health worse. But I do understand that Ms W would be frustrated by the time and effort in dealing with this matter. In my view, the accident and the need to make a claim were bound to cause Ms W some upset and inconvenience.

Advantage accepted the communication on this claim hasn't been of the standard Ms W could reasonably expect to receive. Ms W had to do more chasing than she should have had to do. I can also see Advantage paid the settlement over two separate payments and I think this caused some confusion. I also understand there was lack of communication when the hire company called to collect the car without giving any notice and this would have caused Ms W some distress.

I've thought carefully about the distress and inconvenience Ms W has suffered in relation to this complaint. I've considered what happened, and I think the overall level of distress and inconvenience Ms W experienced was considerable. Advantage has already offered a total of £300. I'm satisfied that this is fair.

### **My final decision**

For the reasons set out above, I uphold this complaint. To put things right Advantage Insurance Company Limited should pay Ms W a total of £300 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 2 March 2026.

Lorraine Ball  
**Ombudsman**