

The complaint

Miss L complains Advantage Insurance Company Limited (Advantage) unfairly settled her claim on her motor insurance policy after her car was classed as a total loss.

Advantage are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Advantage have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Advantage includes the actions of the intermediary.

What happened

Miss L made a claim on her motor insurance policy after her car was damaged in an incident. The car was classed as a total loss. Advantage made Miss L a market value offer of £11,099.28 less the policy excess.

Miss L was not happy with the settlement amount. She didn't agree with the deductions Advantage made due to the car being a previous category N write off and also said it hadn't considered the optional extras on the car.

Because Miss L was not happy with Advantage, she brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said Advantage's market value settlement offer was fair. They said the valuation of £13,470 was the highest of the four valuations obtained, and the way in which it calculated the deduction, as a result of the car having previously been listed as a category N loss, was fair and reasonable.

As Miss L is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

In this case I have considered whether Advantage acted fairly and reasonably in reaching its decision as to the level of settlement offered to Miss L following the write-off of her car.

My role is not to provide an exact valuation but to make a judgment as to whether the offer of settlement is fair.

I firstly looked at the details within Miss L's motor insurance policy with Advantage. In the terms and conditions of the policy. It says;

"Market Value – 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 Glass's 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."

Although this service doesn't value vehicles, we do check that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. We use valuation guides to do this, and they're based on nationwide research of likely selling prices and take the car's specifications, mileage etc into account.

This service doesn't consider the question of market value to be an exact science, however our general approach is that the valuations given in the main motor valuation guides provide the most persuasive and consistent evidence. These guides are based on extensive nationwide research of likely (but not actual) selling prices.

Prices of used cars can change on a regular basis. This could be an increase or decrease. This is the reason why we take the approach that if Advantage can demonstrate it used a fair process to value the car then we wouldn't interfere with the offer it has made.

In this case Miss L's car had already been a category N total loss. This means the car had previously been written off by insurers due to non-structural damage. I have seen Miss L didn't own the car when it was a previous total loss. It has been running after it was classed as a total loss, so it appears to have been repaired.

I looked at the information Advantage used when calculating the market value for the car. I saw it obtained valuations from four of the main valuation guides. Although it initially used the average of the four valuations, it increased this to £13,470 which was the highest of the four valuations, then because the car was a previous category N total loss it deducted 17.6%. The total loss valuation was £11,099.28.

I looked at the valuations our investigator obtained. They used four of the main valuation guides, of which were the same as used by Advantage. The highest of these four valuations was £13,470 and the lowest was £12,365., I think the starting point for this valuation was fair as it was the highest valuation. I then considered the deduction for the car having been a previous category N loss. Advantage provided evidence of how it had considered the make, model and condition of car to come to this percentage.

I recognise Miss L has provided several contests of the valuation. These included her car was in full working order with no faults prior to this accident, that the previous total loss deduction should be lowered to 15% based on her own research from two alternative industry sources who ranged their deductions between 5% and 25%, and that Advantage hadn't accounted for some optional extras on her car. However, I have explained I think Advantage using the highest valuation was fair, and I can confirm this valuation was specific to Miss L's specific model of car and therefore had already taken into account the specification. Due to the car being approximately ten years old none of these extra's added value at the date of loss. I'm not persuaded by Miss L's opinion that the previous total loss percentage deduction should fall midway between how she said other industry sources calculate previous total loss deductions. I am more persuaded the percentage calculated by Advantage was fair and reasonable.

I saw Miss L provided a similar car advertised for sale at £14,100, but I am not persuaded a single advert for a similar car is enough for me to look to ask Advantage to increase the valuation. This is because this was an advertised for sale price, and not the actual selling price. Plus there were also adverts for similar cars advertised for less.

For the reasons I have given, I think the valuation for Miss L's car is fair in this case, and she has received a fair offer, allowing her to replace her car with one of a similar make, model and condition.

Therefore, although I understand Miss L will be disappointed, I don't uphold her complaint and don't require Advantage to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 9 March 2026.

Sally-Ann Harding
Ombudsman