

## **The complaint**

Mr L is unhappy with Advantage Insurance Company Limited's handling of his claim under a motor insurance policy following an accident he wasn't at fault for.

Any reference to Advantage within this decision includes the actions of its appointed agents who carried out parts of the claim on its behalf.

## **What happened**

I previously issued my provisional decision as follows:

*The circumstances of this case are well known to both parties, but in summary Mr L has a motor insurance policy underwritten by Advantage. In October 2024, Mr L was involved in a "non-fault" accident which led Mr L to raise a claim under his policy. Advantage accepted the claim and arranged for the vehicle to be assessed.*

*Following the assessment of his vehicle, Mr L has said Advantage provided inconsistent advice about whether the vehicle was repairable or not, carried out repairs to his vehicle without his consent, and carried out poor standards of repairs leaving the vehicle in a poor state. Mr L therefore raised several complaints with Advantage about these issues.*

*Advantage upheld Mr L's complaints. It initially offered £150 in November 2024 in recognition of the service experienced. A further £200 was awarded in January 2025 in recognition of incomplete repair works. Advantage later offered Mr L the option to treat the vehicle as a total loss, it said it would pay a market value of £8,047 and offered to pay a further £750 in recognition of the further service failings and experience Mr L had.*

*Unhappy with Advantage's response, Mr L referred his complaint to this Service. Our Investigator ultimately concluded that Advantage should arrange for the remaining repair works to be completed but concluded the compensation awarded was reasonable in the circumstances.*

*Mr L disagreed and asked for an Ombudsman to make a final decision. He raised a number of points explaining why he disagreed, but in summary he said Advantage had unfairly pressured him into proceeding with repairs, failed to communicate with him in a reasonable way, left his vehicle in a poor state of repair, offered an unreasonable valuation and has caused him significant worry and distress.*

*So, the case has been passed to me to decide.*

## **What I've provisionally 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.*

*Having done so, I intend to uphold this complaint, but I intend to propose a different outcome. I'll explain why.*

*I recognise I have summarised the circumstances of this case in less detail than presented. But I would like to assure both parties that I have carefully considered all submissions made when determining this complaint. I may not comment on each point raised or each piece of evidence provided. Instead, my decision will comment on the issues I consider to be key. This isn't intended 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.*

### *The settlement of the claim*

*Relevant regulatory rules say firms must handle claims promptly, and fairly. So, the starting point with any insurance claim is the policy terms and conditions which sets out the basis of cover between an insurer and its policyholder. Under the terms of Mr L's policy Advantage can decide to repair a vehicle, or pay its market value in the event of a valid claim.*

*Advantage made the decision to repair Mr L's vehicle. But Mr L has said that the quality of repairs were unsatisfactory – and this isn't something Advantage has disputed. So, I won't look to go into any further detail about the remaining issues on the vehicle. Instead, I need to decide whether Advantage has done enough to put things right.*

*As Advantage agreed the repairs were not completed to a reasonable standard, it offered him the option to either let its authorised repairers complete the outstanding work to bring the vehicle back to pre-accident condition. Or pay him the market value of the vehicle.*

*Given Advantage's numerous attempts at rectification, and the condition of the vehicle following Advantage's repairs to date, I can understand why Mr L isn't prepared to allow Advantage any further opportunities to repair the vehicle. But I don't find it unreasonable for Advantage to say the garage should have the option to put things right.*

*I've thought about whether it would be fair to direct Advantage to pay a repairer of Mr L's choosing to complete the rectification works. But because I don't know what the remaining repairs would cost, I don't think this would be fair – as the cost in doing so could exceed the market value of the vehicle, which isn't covered under the policy.*

*Advantage said the fair market value of the vehicle was £8,047 based on values obtained from motor valuation guides. It has provided this Service with copies of the valuations it obtained which quoted figures of £8,043 and £8,051. Mr L provided his own valuation which shows the vehicle being valued at £10,000. I've considered Mr L's valuation, but because it doesn't account for mileage – which can significantly impact the value of a vehicle – I think Advantage's valuations are more persuasive.*

*Mr L has said that he doesn't wish for his vehicle to be deemed a total loss as he intends to keep the vehicle and doesn't want it to have a total loss marker against it. And I don't find this to be unreasonable as the vehicle was repairable following the loss and had the vehicle been repaired to satisfactory standards, the vehicle wouldn't have had a marker against it. I also haven't seen anything to show that the car is uneconomical to repair. And Advantage is simply offering to pay the market value as a means of resolving Mr L's concerns.*

*So, as Advantage has offered to treat the vehicle as a total loss, I find that it would be fair and reasonable for it to offer the following options to Mr L. Those being –*

- Allow Advantage a further opportunity to rectify the remaining issues with the vehicle.*

*If Mr L doesn't wish for Advantage to carry out any further repairs, then it should offer the following:*

- *If Mr L wishes to accept the £8,047 offered by Advantage, then Advantage should pay this to Mr L and it can take ownership of the vehicle.*
- *If Mr L wishes to retain the vehicle, Advantage should pay Mr L £8,047 less what it would have received for the salvage – but I don't think it should record the vehicle as having a total loss marker. Mr L will then be free to use the funds to repair the vehicle with his own repairer if he wishes to do so, but in doing so accepts that Advantage has no further liability to him.*

*While this Service aims to put a consumer back in the position they would be in had no errors occurred, this isn't always possible. But I find these options will put Mr L in a reasonable position.*

### *The handling of the claim*

*I understand Mr L is unhappy with how Advantage handled his claim. This included going ahead with the repairs without speaking with him first. And failing to communicate with him clearly. Advantage has also recognised that its service hasn't been as it would expect. So as both parties accept there have been significant service failings here, I won't look to explore each individual issue.*

*Having considered the service provided as a whole, I agree Mr L would've found the experience to be frustrating and upsetting. And I agree Advantage could've been clearer in its communication with Mr L to ensure he was aware of what steps were taken with respect to his vehicle. However, I don't think this has materially impacted the overall claim journey as Advantage was within its rights under the terms of the policy to repair the vehicle.*

*I recognise Mr L wanted Advantage to provide a cash in lieu settlement, but Advantage said this wasn't possible. And under the terms of the policy, there is no requirement for Advantage to offer this. So, I don't find this to be unfair.*

*I also appreciate Mr L having been left with his vehicle in a poor state of repair for a significant period. This would've exacerbated any upset from what was already a frustrating experience having been involved in an accident due to no fault of his own.*

*At this stage, Advantage has offered Mr L £1,100 as compensation for his experience. There is no exact science to awards for compensation. But I recognise Mr L has explained the situation has been incredibly distressing and upsetting. Unfortunately, due to their very nature, insurance claims are rarely straightforward due to the number of parties involved and the time taken to investigate.*

*Advantage should handle a claim fairly and ensure it avoids any unnecessary upset and distress. I agree it failed to do this here. But while I accept Advantage's service could have been more reasonable, I find the £1,100 it has awarded to be reasonable and proportionate in the circumstances. This award is consistent with our scales of awards where the impact has been over a significant period of time and caused significant worry and upset. And this is in line with what would have awarded had no compensation been offered. So, I find that this amount is reasonable and I won't be directing Advantage to increase this further.*

### **Replies**

Both parties responded to my provisional decision.

Mr L provided a comprehensive response. He didn't object to the third option outlined in my provisional decision but said that he was unable to confirm whether this was acceptable until

he knew the total loss value less the salvage value. Mr L wanted to confirm that the engineer report was commissioned by Advantage rather than himself, felt his credibility had been unfairly questioned, didn't agree with the valuation Advantage reached, and explained the concerns he had surrounding the repairs and the management of the claim.

Advantage explained it was prepared to go ahead with the options I previously set out, but added that it had a legal duty to apply a total loss marker to ensure future owners of the vehicle were aware of its history, Advantage had already offered Mr L the option of treating the vehicle as a total loss and so the outcome hasn't changed, and had adjusted the pre accident value of the vehicle to £8,051 in line with the highest of the motor valuation guides, and the total compensation it had offered to Mr L in response to the complaint was £1,150, not £1,100 as I detailed in the provisional decision.

### **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 don't propose revisiting the events of this complaint in any detail and instead will focus on the arguments and points made by both parties in response to my provisional decision. Having considered the new points raised, I do not consider that they warrant changing the outcome. I'll explain why.

I appreciate Mr L would like to know the value payable to him under the third option. However, this is something that Advantage would need to communicate to him following his acceptance of the decision – should he choose to do so. I recognise the amount payable is a concern to him, however, we are not claim handlers. My role is to determine how to resolve the complaint fairly and reasonably, and I find that all three options outlined in my provisional decision are a fair way to resolve the complaint.

Mr L has said he feels his honesty and credibility has been challenged through the history of his claim and complaint. I'm sorry to hear about this. However, it is important to note that we are an informal service and reach an outcome based on the information provided to us. This isn't to say that Mr L's testimony is incorrect or unreliable, rather that I have no way of substantiating these concerns in the absence of any supporting evidence.

I recognise the report was completed following an instruction from Advantage's agent. And I thank Mr L for clarifying this point. However, I don't find that this point materially changes things. The purpose of this report was to identify the issues outstanding on the vehicle following Advantage's attempts at repair.

Moving on to the valuation of the vehicle, I accept the engineer's report has a value quoted and it includes a reading from the vehicle's odometer. However, on balance, I don't find this report to be a persuasive indication of the fair market value of Mr L's vehicle as it makes no reference to the motor valuation guides and provides no explanation of how this valuation was reached.

It isn't the role of this Service to provide an exact valuation of a motor vehicle. Instead, we consider whether an insurer has acted fairly and reasonably, in line with the terms of its policy, and taking into account relevant supporting evidence such as motor valuation guides.

This Service's usual approach to these types of issues is that an insurer should look to obtain multiple valuations from different motor valuation guides and settle a claim in line with the highest of this range. If it thinks a lower valuation is a fairer reflection of the vehicle's value, then it needs to demonstrate this with other available evidence such as

advertisements of similar cars. If it can't do this, I would expect the insurer to pay the highest of the valuations from the range it obtained to ensure its policyholder isn't at any detriment.

It is important to note that under the terms of Mr L's policy, Advantage is required to pay the market value following a total loss, and this document confirms the definition of market value is the cost of replacing a policyholder's vehicle in the United Kingdom at the time of the loss or damage occurred with one of the same make, model, age and condition. While I recognise Mr L's vehicle wasn't deemed to be a total loss, I find it reasonable to rely on the definition as Advantage has agreed to pay the market value as a means to resolving the complaint.

Advantage provided valuations from two of the motor valuation guides - £8,043 and £8,051. Values were unavailable on the remaining two major motor valuation guides, due to the vehicle's age. However, the values provided by Advantage are from the date of Mr L's loss – which is in line with the terms of his policy.

Advantage has clarified that it has offered Mr L the higher of the valuations (£8,051). As this is consistent with our Service's approach, I don't find this amount to be unreasonable.

Mr L has provided his own adverts which he says demonstrate the value of his vehicle is higher. However, having considered these adverts, I don't find them to be more persuasive than the valuations obtained by Advantage. I say this as many of the adverts provided include variations in the model, age and mileage of the vehicle, and have been obtained quite some time after the date of loss. There is one advert which is similar to that of Mr L's vehicle, but as this is a single advert, and obtained quite some time after the date of loss, I don't find it to be more persuasive than the motor valuation guides.

I appreciate Mr L has reiterated some of the issues he experienced during the claims journey. However, I won't be directing Advantage to increase its compensation offer of £1,150. As I explained in my provisional decision, I agree Advantage's overall handling of the claim wasn't fair or reasonable. But I'm persuaded, on balance, that the total offer of compensation is fair, proportionate and consistent with our award bands where a firm's actions have caused significant distress and inconvenience over many weeks or months.

In response to Mr L's concern about Advantage having no further obligation to him should he accept the third option; I want to clarify that Advantage will have no ongoing obligations to him with respect to the repairs of his vehicle.

While I recognise Advantage's point about its obligations to record the vehicle as a total loss, I understand this is where the vehicle is found to be a total loss. I haven't seen anything to suggest that Mr L's vehicle has been deemed a total loss, and the offer to pay the market value, or pay the market value less the amount it would have gotten for the salvage of the vehicle is simply a means to resolve the complaint. So, should Mr L decide to accept the option of the market value less the value Advantage would get for the vehicle's salvage, I maintain this should be paid without a total loss marker being placed against the vehicle as the vehicle hasn't been deemed a total loss.

### **My final decision**

My final decision is that I uphold the complaint. Advantage Insurance Company Limited should now offer Mr L the following options –

#### **Should Mr L wish for Advantage to repair the vehicle**

- Arrange for Mr L's vehicle to be repaired by its authorised repairer.

- Pay Mr L an additional £750, bringing the total compensation amount to £1,150 in total; or,

**Should Mr L wish to accept the total loss of the vehicle**

- Pay Mr L £8,051. Advantage can then take ownership of the vehicle in line with the remaining terms of the policy.
- Pay Mr L an additional £750, bringing the total compensation amount to £1,150 in total; or,

**Should Mr L wish to retain the vehicle and arrange repairs himself**

- Pay Mr L £8,051 less what it would have received for the salvage of the vehicle, and without marking the vehicle as having been a total loss.
- Pay Mr L an additional £750, bringing the total compensation amount to £1,150 in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 16 March 2026.

Oliver Collins  
**Ombudsman**