

The complaint

Mr M has complained about how Advantage Insurance Company Limited (Advantage) have handled a claim he made on his motor insurance policy.

What happened

Mr M was involved in an accident in October 2024. His vehicle was declared a total loss and Advantage carried out a valuation in November 2024. They made a deduction for pre-accident damage and told Mr M they'd pay him £4,138.07 for his vehicle.

Mr M sent Advantage some market examples of vehicles which he thought showed his vehicle was worth more than Advantage's valuation. Advantage asked him to send more information in order to revalue the vehicle, but they said they didn't receive this from him. So in late December 2024, they settled his claim for the amount they considered a fair market value for his vehicle.

Mr M wasn't happy with this and complained to Advantage. He also complained more generally about delays in relation to his claim – including how long it took them to reimburse him for a tyre. Advantage sent him a final response letter in January 2025. In it, they said they were unable to locate the valuation documents Mr M sent. And had asked him to resend the documents since they never received the original email he sent them. They acknowledged delays in responding to correspondence and reimbursing him for the tyre. And they paid him £125 compensation.

Mr M referred his complaint to this Service in July 2025. He said he suffered substantial financial loss because of Advantage's valuation of his vehicle, and he wants his car revalued. He also wants more compensation for the way Advantage handled the claim.

Our Investigator looked into what happened but didn't uphold the complaint. She felt Advantage didn't handle the claim fairly, but that they'd paid enough compensation to put things right. Mr M didn't agree, so the complaint was passed to me to decide.

I issued a provisional decision upholding the complaint. Its findings form part of this final decision, so I've copied them in below. I also invited any further comments or evidence before I issued a final decision. I said the following:

“As ours is an informal service, I'm not going to respond to every point or piece of evidence Mr M and Advantage sent us. Instead, I've focused on what I consider to be key or central to the complaint. But I'd like to reassure both that I have considered everything submitted.

Did Advantage handle the valuation of Mr M's vehicle fairly?

Advantage told Mr M they were going to pay him £4,138.07 for his vehicle after it was written off. Mr M didn't think that was enough and sent Advantage an email on 7 November 2024 with market examples he wanted them to consider. Had Advantage received these, I would have expected them to consider these alongside their proposed settlement to determine if their valuation was a fair market value for his vehicle.

Advantage says they didn't receive this email. Mr M has sent me a copy of the email, so I'm persuaded it was sent to Advantage. It's unclear why they didn't receive it. But I've seen they acknowledged this afterwards and Mr M had the opportunity to send it again. They also sent further emails saying if Mr M disagreed with the value, he should tell them the amount he expected his vehicle to be valued at; provide images of the service history; and examples of like-for-like vehicles. I haven't seen that he sent any further information to Advantage. So, I don't find it unfair they didn't take his specific market examples into account. But I think it should have been clear to Advantage that Mr M was unhappy about the valuation of his vehicle. So, I have gone on to consider whether Advantage's valuation was fair.

This Service doesn't value cars. Instead, we check to see that an insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. To do this we tend to use relevant valuation guides. We generally find these persuasive as they're based on nationwide research of sales prices. We also do consider other evidence that the parties submit (like the adverts Mr M tried to send Advantage) to determine whether an insurer came to a fair value.

Mr M's policy includes cover in the event his car is damaged. And it gives Advantage the option of paying the market value of Mr M's vehicle immediately before the loss. The policy defines market value as the cost of replacing Mr M's vehicle in the United Kingdom at the time loss or damage occurred with one of the same make, model, age and condition.

Advantage needs to effectively show their valuation is enough to allow Mr M to purchase a replacement vehicle. That doesn't necessarily mean they need to offer the highest valuation available. But if their valuation isn't close to the highest valuation returned from the guides we look at, they would need to evidence this amount is fair.

I asked Advantage to send me the motor guides and other evidence they relied on to reach what they considered a fair market value for Mr M's vehicle – and the evidence they used to make deductions for pre-accident damage. Advantage haven't sent me this, so I can't reasonably say it's fair for them to rely on it.

I reviewed four of the valuation guides myself and found they produced values of £4,475, £4,380, £5,296 and £5,570 respectively. Advantage haven't supplied me with evidence to justify their valuation of £4,138.07 was fair. I have seen from Advantage's notes that they made a deduction of £780.43 for pre-accident damage. This included door and panel scrapes, a wing dent, and soiled interior of the vehicle. But other than a brief list of the damage and a total of what repairs would cost to put the damage right, I haven't been given an explanation of why it would reduce the value of Mr M's vehicle. And, based on what I've seen, I don't think it was fair to make the deduction.

Since Advantage haven't provided anything to show me Mr M could replace his vehicle with the amount they consider the market value, to avoid any detriment to Mr M, I find the highest valuation produced by the guides is a fair market value.

I've seen the email Mr M sent Advantage. When I went to click on the links he provided, those adverts were no longer available. So, I can't compare these adverts to the guides either. As I haven't been persuaded by either party that Advantage should be paying a higher or lower amount than what was provided by the highest trade guide, I'm intending to direct Advantage to pay the difference of £1,431.93. I think Advantage should have understood Mr M was unhappy with the amount they considered the market value at the time and considered this further, so I'm also intending them to pay 8% simple interest from the date of their final response letter to Mr M.

Did Advantage handle the claim fairly more generally?

Advantage agreed to replace Mr M's tyre. From what I've seen, they did this as a gesture of goodwill rather than as an insured loss under the policy as part of the claim. But either way, I'm satisfied they paid him for it promptly and fairly once he requested payment.

Advantage have accepted they didn't respond to Mr M as they should have, and I agree. I've reviewed the correspondence between Advantage and Mr M, and I can see they delayed responding at times. I'm satisfied this will have caused some additional unnecessary distress for Mr M.

When Mr M complained Advantage had lost his market examples and that they mishandled the valuation, I think they should have recognised Mr M wasn't happy with their valuation of his vehicle. I don't think they handled the valuation fairly nor did they engage with Mr M's concerns when they should have. I think this, too, would have caused Mr M unnecessary distress and inconvenience.

Advantage have paid Mr M £125 compensation. It's an amount in line with what I'd award where an insurer has caused some distress that could last weeks and goes beyond the levels of frustration typically expected when raising a claim. Taking everything into account, I'm satisfied this applies here. So, I won't be directing Advantage to pay more compensation than this."

Correspondence after my provisional decision

After my provisional decision, Advantage sent me the information they relied on to reach their valuation. This included copies of the motor trade guides they used, photographs of the vehicle and an explanation of why they made a reduction for pre-accident damage. They also sent adverts that they felt showed their valuation was a fair market value.

I considered what they sent me but told them I'm still minded to uphold the complaint, but with a different redress than I set out in my provisional decision. I said:

- I hadn't seen the valuation information Advantage relied on previously or the report about the pre-accident damage. I can see the guides gave Advantage values of £4,554, £5,411, £4,380, and £5,329. I don't find it unreasonable for Advantage to rely on these guides, but, as they'll likely understand, I wouldn't find an average of the guides is a fair market value unless they were able to show evidence Mr M could buy an equivalent vehicle for that price. And without evidence showing a lower value is fair, I would find the valuation from the highest guide a fair market value.
- Advantage sent one advert for an automatic version of Mr M's model of car (like Mr M's) and several others for manual versions. It's now over 15 months since the accident, so the market will have more-than-likely moved on. And I do see the one advert they submitted of an automatic car shows they likely sell for higher than the manual cars, but that advert on its own from the current market doesn't mean that was likely the fair market value at the time of loss. Ultimately, I'm not persuaded these adverts show the market value immediately before the loss.
- Now that I've seen the report about pre-accident value, I think it's fair to make a deduction. But not to the extent Advantage have.
- Advantage said the areas requiring SMART repair are right-hand front wing and left-hand rear door. But the report only lists the left-hand door SMART repair in the 'specialist' section. The other specialist item listed is cleaning the interior. Even if this was correctly listed, I don't think it's reasonable to consider this type of repair would mean the value would be reduced by 100% of those costs. I think the dent on the righthand wing is in line with what I would expect from a vehicle as old as Mr M's. So, I don't think a deduction should be made for this. I do think it's reasonable to deduct for the other items, but only for 50% of the repair costs. So, I think the deduction

should be £677.14.

- The highest valuation from the guides is £5,411. With a fair deduction for pre-accident damage, I think a fair market value for Mr M's vehicle is £4,733.86.
- I was minded to direct Advantage to pay Mr M £595.79, which is the difference between what they settled the claim for and £4,733.86. And 8% interest per year from the date of their final response letter until the date they pay the difference.

Advantage agreed to my proposed outcome, and I sent a copy of it to Mr M. He didn't comment on what I thought Advantage should pay for the value of his vehicle, but disagreed with my opinion on the tyre, as he didn't think they handled the reimbursement promptly or fairly.

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 haven't seen further evidence which persuades me £4,733.86 isn't a fair market value. So, I'm directing Advantage to pay Mr M £595.79 and the 8% interest in line with what I wrote above.

Before Advantage declared Mr M's vehicle a total loss, he replaced his tyre. Mr M emailed Advantage on 17 October 2025 to ask them to cover what it cost to replace it. His vehicle was considered a total loss on 1 November 2024, and Advantage opted to pay what they considered a fair market value for Mr M's vehicle. The original tyre was covered as part of the total loss claim and Advantage aren't obligated to pay more than the fair market value. Mr M wrote to Advantage about the tyre again on 20 November 2024 and Advantage agreed to cover the cost of it the same day. I appreciate Mr M is unhappy with the time taken between when he had the tyre replaced and when he was reimbursed for it, but I don't find Advantage dealt with it unfairly or caused any unnecessary delays when he asked for payment. So, I won't be directing them to pay further compensation for this.

My final decision

I uphold this complaint and direct Advantage Insurance Company Limited to pay Mr M:

- £595.79 (which is the difference between what they settled the claim for and what I consider a fair market value).
- 8% simple interest per year on the above amount from the date of the final response letter until Advantage pays this amount.

*If Advantage thinks that they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mr M how much they've taken off. They should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 March 2026.

Andrew Wakatsuki-Robinson
Ombudsman