

## **The complaint**

Miss S has complained about the amount Advantage Insurance Company Limited (Advantage) paid in settlement of a claim she made under her motor insurance policy.

## **What happened**

The details of this complaint are well known to both parties, so I will not repeat them again in full detail here. But to briefly summarise, Miss S is unhappy with the valuation placed on her vehicle following a total loss claim under her policy.

Our investigator thought Miss S's complaint should be upheld. She said Advantage based its valuation on two of the industry guides our service typically relies on. But given Miss S's concerns about the valuation, and the adverts she provided, our investigator said Advantage should have checked the additional guides this service also considers. Our investigator checked the additional guides herself, and based on this, suggested Advantage should increase the valuation placed on Miss S's vehicle from £5,519 to £6,447. She also said it should pay 8% simple interest on any unpaid amount.

Our investigator also agreed that the level of service Miss S received from Advantage fell short of her reasonable expectations. However, she said the £50 compensation already offered by Advantage was enough to fairly compensate her for this.

Miss S accepted our investigator's assessment, but Advantage didn't. It said a fair valuation should be the average of all four guides our investigator obtained, rather than just the highest two.

As no agreement could be reached, the complaint was 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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Miss S's policy covers her for the market value of her vehicle, at the time of loss – which is fairly standard within the motor insurance industry.

Market value is defined in the policy 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. 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."*

Advantage based its valuation on the higher of two valuations it obtained from some of the recognised motor industry trade guides our service typically relies on when considering this type of complaint. It used the correct mileage and date of loss when obtaining these valuations, which were:

Glass's: £5,360

CAP: £5,519

Miss S complains that the valuation placed on her vehicle by Advantage is too low. She says she is unable to replace her vehicle with one of a similar make and model for that amount. She's provided several adverts for similar cars being offered for sale at higher amounts than hers.

Taking into account the difference between Advantage's valuations and the adverts, our investigator obtained her own valuations from two additional trade guides our service typically uses when assessing complaints about motor valuations. She used the same mileage date of loss when obtaining these valuations, which provided the following market value figures:

- Autotrader: £6,254
- Percayso (formerly Cazana and Cazoo): £6,640

Our service's normal approach, in these types of complaints, usually considers that a valuation within the range of figures returned by the motor trade guides is typically fair. This is unless there's other evidence, such as sales adverts, which suggest a valuation at the higher or lower end might be fairer.

In this case, most of the adverts Miss S provided are for suitably comparable vehicles with broadly similar mileage, all advertised at significantly higher amounts than the valuation arrived at by Advantage. Our service does typically find the trade guides more persuasive than adverts, in isolation. But because of recent changes in the market, we're now increasingly hearing of vehicles selling for, or close to, their advertised prices. So, taking all of that into account, I'm persuaded that the adverts provided by Miss S support a valuation at the higher end of the range would be fairer.

In the circumstances, I consider a fair valuation for Miss S's car would be the average of the two highest guides – Percayso and Autotrader. This amounts to £6,447. So, in order to fairly put things right, Advantage should increase the total settlement paid to Miss S to £6,447. It should also pay 8% simple interest on the amount which remains unpaid, from the date it paid the initial settlement of £5,519 to the date Miss S is reimbursed. This is to compensate Miss S for being deprived of funds I believe she was reasonably entitled to under her policy.

Miss S also complained about poor service and a lack of contact from Advantage's case handler. Advantage accepted that the service it provided fell short and offered £50 compensation. And taking everything into account, I think that offer is sufficient to fairly compensate Miss S for the impact of Advantages failings here.

## **My final decision**

For the reasons I've explained above, I uphold Miss S's complaint.

Advantage Insurance Company Limited must:

- Increase the valuation placed on Miss S's car to £6,447 and pay her any amount which remains outstanding.
- On the additional amount due to Miss S, pay 8% simple interest from the date it paid the initial settlement of £5,519 to the date Miss S is reimbursed.
- Pay Miss S £50 compensation for the distress and inconvenience it has caused her – if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 22 November 2023.

Adam Golding  
**Ombudsman**