

The complaint

Mr J complains about Advantage Insurance Company Limited's handling of his motor insurance claim, including the settlement if offered him after his car was deemed a total loss.

Advantage is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Advantage has accepted it is accountable for the actions of the agents, in my decision, any reference to Advantage includes the actions of the agents.

What happened

In late 2022, Mr J's vehicle was damaged in an accident caused by another driver. Mr J reported the incident to his insurance broker. The broker referred him to an Accident Management Company (AMC) to deal with repairs and a hire car, outside of his contract with Advantage.

The AMC deemed Mr J's vehicle a total loss and sent Mr J a cheque. However, Mr J disputed the valuation of the vehicle. The AMC cancelled the cheque, and the claim was passed to Advantage to be dealt with under Mr J's insurance policy.

Advantage arranged for its in house engineers to complete a valuation on Mr J's vehicle and offered him £2,757 to settle the claim. Mr J didn't think Advantage's offer reflected the market value of the vehicle. He raised a complaint about the valuation and the customer service he'd received.

Advantage said it had used trade guides to value Mr J's vehicle and the amount it had offered him was the highest of the guide values. It acknowledged being responsible for some poor customer service and paid Mr J £100 to compensate him for this.

Our investigator looked into Mr J's concerns but didn't think his complaint should be upheld. He thought Advantage's valuation of Mr J's vehicle was fair and in line with the terms of the policy. He also thought the £100 Advantage had paid Mr J was fair compensation for the poor service he'd received from it.

Mr J disagreed with our investigator's outcome. He felt Advantage had grossly undervalued his car. He didn't think £100 was enough to compensate him for the time he'd spent emailing and on the phone. So, 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.

Having done so, I've decided not to uphold Mr J's complaint, I'll explain why.

I'm aware that Mr J also brought a complaint about his broker to our service, which has been considered separately. To be clear, in this decision, I'm only considering matters Advantage

is responsible for (as the insurer), from when the claim was passed to it in February 2023 until its final response email of 1 March 2023.

The policy's terms and conditions say that if a policyholder's car is damaged because of an accident, Advantage will do one of the following:

- *"Pay for any necessary repairs*
- *Replace your Car*
- *Repair the damage*
- *Pay the Market Value of your Car immediately before the loss"*

"Market Value" is defined 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 says it used two industry trade guides to assess the market value of Mr J's car. One of the guides valued the vehicle at £2,757 and the other at £2,150. Our service has carried out our own vehicle valuation checks on Mr J's vehicle, using two additional trade guides. These valuations came out at £2,703 and £2,665.

I think it's reasonable for the market value to be assessed as the retail price Mr J would have to pay for a comparable vehicle at a reputable dealer. The fairest way of doing this is by using the standard industry guides. These are based on extensive national research of likely selling prices. They can provide valuations based on the make, model, age, condition and specification of a vehicle.

Advantage's settlement offer reflects the highest of the four trade guides we've looked at. So, I'm satisfied that the settlement offer Advantage made Mr J is reasonable and in line with the policy's terms and conditions.

Mr J has made us aware of a number of difficulties he's encountered since he made his claim in December 2022. As explained, I can only consider the service he's received since his claim was passed to Advantage in February 2023. I can see that Mr J made a number of phone calls since then and Advantage has acknowledged that he spent a lot of time on hold. However, I think the £100 Advantage has paid him fairly recognises the distress and inconvenience Mr J experienced as a result.

I know my answer will be disappointing for Mr J, but overall, I think Advantage has acted fairly and reasonably, in line with the policy's terms and conditions. So, I don't require it to do anything further.

My final decision

For the reasons I've explained, I don't uphold Mr J's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 28 November 2023.

Anne Muscroft
Ombudsman