

The complaint

Mr A is unhappy with the way Advantage Insurance Company Limited (Advantage) have handled the claim he made on his motor insurance policy and the salvage value it has placed on his vehicle.

What happened

In April 2023 Mr A was unfortunately involved in a car accident and so reported a claim to his motor insurer Advantage. Advantage arranged for Mr A's vehicle to be repaired at one of its nominated repairers.

Mr A's vehicle was returned but he said there were issues with the repair and so his vehicle was taken back to the nominated repairer. Mr A's vehicle was returned again but Mr A said there were still issues with the repair and the nominated repairer had driven his vehicle without making him aware, so he raised a complaint. Advantage considered Mr A's complaint and apologised for the service it had provided and that his vehicle had been driven without his knowledge. It offered £60 compensation and said the nominated repairer had reimbursed the fuel and would make a further gesture of goodwill if Mr A contacted them.

Advantage agreed for a post repair inspection to be carried out but Mr A was unhappy with the length of time this was taking to be arranged and so raised a complaint. Advantage acknowledged there had been issues in arranging the inspection and offered £50 compensation.

Following the inspection on Mr A's vehicle Advantage decided it would be appropriate to deal with Mr A's vehicle on a total loss basis which Mr A accepted. Mr A said he wanted to retain his vehicle and the salvage agent said the salvage cost was just over £5,000 which Mr A accepted and paid. Advantage said this was an error and that the correct cost of the salvage was £9,000. Mr A didn't think this was reasonable and so raised a complaint.

Advantage said there had been a breakdown in communication between it and its salvage agent which meant Mr A was given the incorrect salvage value. It offered £200 compensation but said the correct salvage value was £9,000. Mr A didn't agree with this and so referred his complaint to this Service.

After Mr A had referred his complaint to this Service Advantage made an offer to resolve Mr A's complaint. It offered £500 compensation to acknowledge the distress and inconvenience Mr A had been caused during the course of his claim and said the salvage value was around £8,400.

Our investigator upheld Mr A's complaint. He said he didn't think the repairs carried out on Mr A's vehicle were the standard they should have been. He also said Advantage made an error when its salvage agent made an offer to Mr A to retain his vehicle, but felt Advantage had taken reasonable steps to make Mr A aware of its error prior to him paying the salvage agent. However our investigator didn't think Advantage had provided sufficient evidence that it's salvage figure was reasonable. Our investigator said he thought Advantage should pay Mr A £500 compensation and the salvage value it should use is the one offered by its

salvage agent.

I issued a provisional decision on this complaint and I said the following:

I want to acknowledge I have summarised Mr A's complaint in less detail than he has presented it. I've not commented on every point he has raised. Instead I have focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr A and Advantage I have considered everything that's been provided.

It has been accepted by Advantage that the quality of repairs its nominated repairer carried out to Mr A's vehicle were not of the standard they should have been. This meant Mr A's vehicle had to be returned to the nominated repairer. Whilst Mr A was provided with a hire vehicle during this time, it would have caused some inconvenience for Mr A to be without his vehicle for longer than he should have been along with having to make arrangements for his vehicle to be taken back to the repairer.

Mr A has said when his vehicle was returned from the nominated repairer he noticed the repairer had driven his vehicle around 70 miles. Advantage have explained this was due to Mr A's vehicle needing to be taken to an alternative branch for repairs and the road test that was required. I think this is a reasonable explanation for this mileage but I can understand why Mr A was upset with this given he wasn't aware his vehicle was being taken to another branch. I think the nominated repairer reimbursing Mr A for the fuel it used was reasonable.

In December 2023 Advantage told Mr A it would be arranging an inspection of his vehicle. However the engineer didn't receive the instruction to arrange the inspection meaning this didn't take place until February 2024. This delay would have caused Mr A distress as he was waiting for the issues on his vehicle to be rectified.

Following the inspection Advantage decided it was best to deal with Mr A's vehicle on a total loss basis. This was accepted by Mr A and a settlement was raised. Mr A wanted to retain his vehicle. Advantage sent a retention instruction to its salvage agent and so its salvage agent discussed the cost of salvage with Mr A. The salvage agent valued the salvage at just over £5,000 and told Mr A this is what he needed to pay to retain his vehicle which was accepted by Mr A.

Advantage have explained the salvage value calculated by the salvage agent isn't correct as Mr A's vehicle has had repairs carried out on it. It's said a miscommunication has resulted in this lower figure being offered to Mr A.

Advantage have provided evidence it has received a guaranteed salvage bid of £8,427.67. The terms of Mr A's policy explain once a total loss settlement has been agreed and paid any salvage becomes the property of Advantage. Given Advantage now own the salvage, and have provided evidence it would receive £8,427.67 for the salvage, it's not unreasonable for it to require Mr A to pay this amount if he wishes to retain his vehicle.

I acknowledge Mr A has been offered a lower salvage value by the salvage agent, however when a business makes an error like this, this Service doesn't automatically require a business to honour what it has said. Instead we would consider what should have happened, and whether any financial loss or loss of expectation has been caused as a result of the incorrect information being given.

Mr A hasn't suffered a financial loss as a result of being told a lower salvage amount. I know he did pay the salvage agent for the salvage, but he has since confirmed this has been refunded to him. However I do acknowledge he has suffered inconvenience and a loss of

expectation given he believed he would be able to retain his vehicle for just over £5,000 rather than the £8,427.67 he has now been told he would need to pay.

It is clear Mr A has been caused distress and inconvenience due to the way his claim has been handled by Advantage and the misinformation he was provided about the cost of salvage. I think the £500 compensation Advantage have now offered is reasonable to acknowledge this. Compensation of this amount takes into consideration the considerable distress and inconvenience Mr A has been caused over this period of time as a result of the errors made by Advantage.'

Neither party responded to my 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.

As neither party has given me anything further to think about, I see no reason to reach a different conclusion to the one I reached before. So I uphold this complaint for the reasons I set out in my provisional decision.

My final decision

For the reasons I've set out above it's my final decision that I uphold Mr A's complaint about Advantage Insurance Company Limited. Advantage Insurance Company Limited should pay Mr A £500 compensation. It should also offer Mr A the opportunity to retain the salvage of his vehicle if he pays it the salvage value of £8,427.67.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 December 2024.

Andrew Clarke
Ombudsman