

The complaint

Mr A complains about the way Haven Insurance Company Limited handled his car insurance claim.

What happened

Mr A made a claim on his car insurance policy after an incident left it damaged in April 2021. Haven took the claim forward and had Mr A's car examined by one of its engineers. The engineer reported that, in addition to the damage, Mr A's car wasn't starting and pointed to the battery as being the cause. The engineer concluded that the problem with the battery wasn't caused by the incident.

At first, Haven offered to repair the battery at Mr A's cost but, after he agreed, the insurer changed its mind – saying it had since discovered the battery had been modified and was an after-market version, so it couldn't arrange to fix it. Haven told Mr A that it wouldn't begin its repair work until he resolved the problem with the battery and shortly after, the insurer returned the car to him.

After Mr A complained, Haven responded reiterating its stance. It says that the issue with Mr A's car battery was coincidental and wasn't caused by the incident that led to the claim. The insurer said that it wouldn't consider repairing the car until Mr A resolves the problem with the battery. It also offered to review its decision on the basis that Mr A provides a report from an independent diagnosis of the problem.

Remaining unhappy, Mr A asked this service to step in. One of our investigators decided that Haven had acted fairly when it decided not to repair the battery and when it declined to begin the overall repairs to the car. The investigator felt that Haven could've communicated better with Mr A and asked it to pay him compensation.

Although Haven accepted the investigator's recommendation, Mr A referred to an independent inspection of his car, which he says he sent to Haven but didn't receive a reply. The investigator queried this with Haven, who later suggested that Mr A take his car to be assessed by a garage approved by the manufacturer and agreed to cover the costs. Mr A attempted this on two occasions but was turned away because his car is imported. Our investigator suggested the insurer arrange the further diagnosis on Mr A's behalf, but it was unable to accommodate this request.

The complaint remains unresolved, so it has been passed to me for a final review.

My provisional decision

I recently issued my provisional decision where I said the following:

I'm planning to uphold this complaint and I'll explain why. This matter has been ongoing for over a year now and a lot has happened in that time. For ease and simplicity, I'll only refer to

the issues that are relevant to my decision. The parties can be reassured that, even if I haven't specifically referred to certain facts or information, I've taken everything into account.

Did Haven handle the claim fairly?

Mr A says his car was driven in to by a third party whilst left parked and he says the car was in working order before the incident. The terms of the policy say that Mr A's car is covered for loss or damage caused by an accident. After its initial inspection, Haven discovered the car wouldn't start and pointed to a problem with the battery that it says wasn't related to the incident. I've seen a copy of the diagnosis from the repairer and, based on the report, I think it was reasonable for Haven to decide that it wouldn't cover the battery repair. At the time, this was the only expert opinion on the condition of Mr A's car, so I think it was fair for the insurer to rely on this.

It's not for me to decide whether the battery issue is indeed related to the incident. I can only make a finding on whether Haven acted fairly when it decided not to cover the battery repair – which, as I explained above, I think it did. However, in its final response to Mr A, Haven gave him the option of obtaining an independent diagnosis of the problem with his car. Haven added that if Mr A provides an independent report that indicates the issue with the battery is related to the incident; it would then refer to it engineers for a final say on the matter.

Mr A provided a copy of an independent inspection of his car – he says this was sent to Haven around July 2021, but he didn't receive a response from the insurer. The independent report points out that:

- there was no communication with the electrical system*
- the car lost communication with the electrical system during the accident*
- nothing changed after installing a new battery*
- the main module requires repair or replacement*

In my opinion, this independent inspection indicates there's a wider electrical problem with Mr A's car and suggests this was caused by the incident. Haven's engineer concluded it was merely the battery that needed replacing, but the independent inspection reports that replacing the battery made no difference.

After our investigator queried this independent inspection with Haven, the insurer suggested that Mr A has his car examined by a manufacturer approved mechanic and agreed to cover the costs of this diagnosis. Mr A seems to have had issues arranging this and says the diagnosis was refused on two occasions given his car is imported. Haven says it doesn't have the resources to arrange a mobile inspection and refuses to take the car back until the battery issue is resolved. The insurer also questions whether Mr A's car was driveable before the incident and says the onus is on him to prove the claim.

I think Haven has treated Mr A unfairly since his submission of the independent diagnosis. In its final response, Haven put the onus on Mr A to disprove its conclusion that there was a problem with the battery and that this wasn't related to the incident that led to the claim. I think that Mr A has provided an expert opinion on his car, which contradicts Haven's position that the battery is the problem. The garage Mr A took his car to had replaced the battery and reports that this made no difference.

The garage also points to there being a problem with the main module which it says occurred during the incident. I think this places doubt on Haven's overall diagnosis and demonstrates that it's more likely that the battery wasn't the reason the car wouldn't start. If

the problem was with the battery alone, replacing it would've resolved the issue and the car would've started.

When our investigator queried the second diagnosis with Haven, the insurer asked that Mr A has his car examined again – but this time it asked that this is carried out by a manufacturer approved mechanic. I think this was unreasonable. Mr A had already obtained an independent diagnosis, which had demonstrated that the battery wasn't the problem and that the overall electrical issues with the car were incident related. Haven had said in its final response that, provided Mr A obtains an independent report, it would refer to its own engineers for a final review. Instead, the insurer has asked Mr A to obtain a further diagnosis and he's made at least two further attempts to do so. Haven should've taken ownership of any further diagnosis of the car – using its own engineers – in line with what it said it would do.

I note that our investigator initially discussed the option of sending out an engineer to carry out a mobile diagnosis of Mr A's car. Haven says it can't accommodate this. But I can't see anything that suggests that Haven would be unable to arrange another on-site diagnosis with one of its own engineers. Haven said it won't take Mr A's car back for repair until the battery problem is resolved. However, I think this is what the insurer should now do, so that it can establish exactly what was damaged during the incident and what it needs to repair.

Haven questions whether Mr A's car was driveable before the incident – I think it's unreasonable for Haven to have done so. Mr A says he drove the car before the incident and his car was driven in to whilst left parked. Haven hasn't pointed to any actual evidence or diagnosis that suggests the car wouldn't start even before the incident took place. So I can't conclude that there's a possibility that the issues identified after the incident were pre-existing issues.

Compensation

In my opinion, the initial compensation proposed by our investigator – which Haven agreed to pay - doesn't go far enough to make up for the distress and inconvenience Mr A has experienced. I'll explain why

When Haven identified the problem with starting the car, it offered to repair/replace the battery at Mr A's cost. Haven only gave Mr A 48 hours to reply, which I understand, given the potential charges for storing the car. But after Mr A did agree to cover the costs to repair/replace the battery, Haven later explained that its engineers couldn't carry it out anyway. This was misleading and unfair on Mr A, as the insurer led him to agree to something that couldn't have been done anyway. Haven should've ensured a thorough diagnosis was carried out before putting this option to Mr A. Listening to the call that followed, I can see Mr A was left upset and distressed by the change of decision.

Additionally, Mr A says he sent Haven a copy of the independent diagnosis he'd arranged. Mr A says this was sent to Haven around July 2021 – but there was no response from the insurer. Once this was queried by our investigator, Haven's instructions led to Mr A visiting two manufacturer approved garages, but he was turned away. As I explained above, Haven should've arranged to inspect the car again itself, rather than put the onus on Mr A as he'd already provided an independent diagnosis. This unfairly inconvenienced him and I think he should be compensated, both for the delay in dealing with the independent report and for asking Mr A to unnecessarily pursue further inspections.

I think a fair level of compensation is £200 – so I intend to instruct Haven to pay this to Mr A.

To summarise, I think Haven's initial decision not to repair Mr A's car until the battery

problem had been resolved was fair. At the time, the only expert opinion on the car indicated an issue with the battery. However, Mr A was able to disprove this by arranging an independent inspection and this suggests the battery wasn't the problem after all. At this point, Haven should've arranged to re-inspect the car and have its engineers provide a further say on the matter. I think it was unreasonable for Haven to have continued expecting Mr A to provide further independent reports diagnosing the problem.

At this stage, I'm provisionally deciding that Haven has acted unfairly and I intend to ask it to re-inspect Mr A's car using its own engineers and transportation facilities. I also intend to ask that Haven pay Mr A £200 for the distress and inconvenience it caused him.

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.

Mr A accepted my provisional findings. Haven didn't respond. So I have no further comments and my decision remains the same.

Putting things right

To put things right, Haven should:

- re-inspect Mr A's car using its own engineers and transportation facilities and then review its decision on what repairs it can carry out to his car
- pay Mr A £200 compensation

My final decision

I'm upholding this complaint. Haven Insurance Company Limited should settle the complaint in line with what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 1 July 2022.

Abdul Ali
Ombudsman