

The complaint

T, a limited company, complains about how Haven Insurance Company Limited handled a claim made on its commercial motor insurance policy. T is represented in this matter by a director, Mr K.

What happened

T's van was damaged, and Haven took it for repairs. Mr K was unhappy with Haven's communication, the delays in making the repairs, and the impact this had on his business. Haven upheld the complaint and paid T £100 compensation for the delay in its finding a suitable repairer for T's van. But Mr K remained unhappy as he said being without the van had caused T considerable losses.

Our Investigator recommended that the complaint should be upheld. He thought Haven should increase its compensation to £500 for the delay and communication issues with the appointed repairer. And he thought it should consider T's hire charges for a replacement van whilst the repairs were completed.

Haven replied that T wasn't entitled to a courtesy van under the policy and it had no offers to make to cover any hire costs. Haven also said that it had made efforts to find a repairer that could undertake the repairs. This had delayed the claim by a month. And it thought £200 compensation in total was sufficient for this inconvenience.

But Mr K was unhappy with this. Mr K replied that he wanted Haven to make good his losses which he thought were closer to £20,000. And he also said he had had to pay for rectification work after the repairs were done.

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 K said it took four months for his van to be fixed. He said he lost business because of this. And he had to hire a van to replace his. He said this caused a loss of business and additional costs.

I can understand that this must have been frustrating and stressful for him. But I can only consider here whether Haven's handling of the claim caused T loss or inconvenience as a business can't suffer distress. And I can only consider T's complaint points up to when Haven issued its response, 23 January 2022, when repairs were still being made.

Haven, in its response to Mr K's complaint, said the repairs had been rejected by three garages due to their nature and the specific repair requirements. It said it delivered the van to a repairer for an assessment a month after the claim was notified. It said repairs hadn't been completed promptly due to the availability of parts. It thought this delay was unavoidable. But Haven said it could have done more to avoid the initial one month's delay. And Haven offered T £100 compensation for this.

I can see from Haven's file notes that there was some confusion during this time. Mr K called frequently to get updates and offered to arrange the repairs himself. After two weeks, three

garages had accepted and then rejected the job because of the size of the van. I can understand that Mr K felt frustrated by this as he had sent in images of his van and the size of the van should have been evident. Mr K pointed out that his business was suffering. And he was concerned that Haven couldn't immediately locate his van when he was concerned about its contents.

After four weeks, a garage had accepted the job. The repairs estimate was delayed, and, to speed matters, Mr K said he'd chase it himself. I can see that the subsequent delays in the repairs, up to 23 January 2022, were due to back orders for parts. And I agree with Haven that this was outside of its control. So I can't hold Haven responsible for this further delay in repairing the van.

In the meantime, Mr K had to hire a replacement van and he thought Haven should compensate him for this and his losses. Haven said Mr K wasn't entitled by his policy to a courtesy vehicle whilst his van was being repaired. So I've looked at the policy booklet and I can see that on page 9 under the definition of "Vehicle" it states:

"...any courtesy vehicle arranged by us whilst your vehicle is being repaired..."

On page 10, the various options for repair are described. Haven points out that a courtesy vehicle won't be provided if a non-approved repairer is used, *"...even if the courtesy vehicle option is shown on your Schedule."*

And in Haven's file I can see that the complaints handlers thought T was entitled to a hire vehicle and questioned whether one had been provided. So I asked to see the policy schedule to check this entitlement. And Haven has now provided this. And I can't see that a courtesy vehicle is shown on the policy schedule.

Mr K was evidently aware of this as he told Haven that he had to hire another vehicle as he was *"not covered for one on policy"*. So, as T wasn't entitled to a courtesy vehicle whilst its van was being repaired, I can't reasonably require Haven to consider T's hire costs for the replacement van. This has already been explained to Mr K.

Mr K said T had also suffered a loss of business due to the delays in making the repairs. On page 13 of the policy booklet, the policy exclusions are stated, including at 15:

The cost of alternative transport (including hire vehicle costs) or compensation for You being unable to use Your Vehicle or any consequential losses (including loss of profits or hire charges) incurred by You or anyone insured under this policy.

I think that's a clearly stated exclusion and so I can't hold Haven responsible for T's losses whilst its van was being repaired. But I'm satisfied that Haven is responsible for any losses due to its delays in starting repairs.

Haven agreed that there had been delays in the claim when it couldn't locate a repairer. It paid T £100 compensation for this, which it offered to increase to £200. But I don't think this was sufficient in the circumstances.

Our Investigator thought Haven should offer T £500 compensation for this. I can see there has been a significant short-term impact for T caused by the month's delay in starting the repairs. There was also inconvenience caused to T in the time its director spent on communication to progress the claim and repairs. And I agree that £500 compensation for this loss and inconvenience is fair and reasonable as it's in keeping with our published guidance.

As I've said above, I've only considered here matters up to the date of Haven's response to T's complaint, 23 January 2022. Mr K has raised further concerns about the time it took to finally return the van to him and then with the quality of the repairs. He said he paid for rectification work to avoid being without the van for a further period.

If Mr K is still unhappy, he can make a further complaint to Haven about these concerns to give it a chance to respond. If he remains unhappy with its response, he can then bring his further complaint to us.

Putting things right

I require Haven Insurance Company Limited to pay T £400 further compensation (£500 in total) for the loss and inconvenience caused by its delays in its claim.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require Haven Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 13 December 2022.

Phillip Berechree
Ombudsman