

The complaint

Miss M complains about Haven Insurance Company Limited's handling of a car insurance claim.

What happened

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

Miss M has been represented in making this complaint by a family member. For ease of reference, I'll refer to any comments from either of them as coming from Miss M.

Miss M has car insurance with Haven. She made a claim in late August 2022 after another driver reversed into her car. All parties accept that Miss M was not in any way at fault for the accident.

Miss M chose to take her damaged car to her preferred garage rather than to a repairer approved by Haven. Once the damage was inspected, the car was written off as beyond economical repair.

Miss M wasn't happy with Haven's valuation of the car. She also says she and/or her representative were misled when they called Haven about the claim. They were given conflicting messages about how the claim would be handled, what excess would be payable and whether a child's car seat would be covered.

Miss M was also unhappy that Haven wouldn't pay for paint protection she'd recently had applied to the car, at a cost of around £400. She also wanted a refund of her premiums for the time after the accident.

She was also disappointed that Haven said they wouldn't pay for Miss M's storage of the car after they'd asked their salvage provider to pick it up, even though the valuation hadn't yet been agreed at that point.

Miss M made a complaint to Haven, but they maintained that the claim had been handled correctly. So, Miss M brought her complaint to us.

Our investigator looked into it and thought Haven hadn't provided a good service to Miss M. She said the car valuation had now been corrected and the paint protection wasn't covered, but Haven had provided misleading information at times and had failed to update Miss M appropriately or respond to her queries in a timely manner. And she concluded Haven should pay Miss M £150 for her trouble and upset.

Miss M disagreed and asked for a final decision from an ombudsman.

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.

There's no dispute here that Haven's original valuation of the car was wrong. Haven's claim notes say as much. And from that point, it was only Miss M's pushing that made Haven reconsider and put an appropriate valuation on the vehicle.

Miss M (or her representative) were also given misleading and/or confusing information at times when they rang Haven to discuss the claim. For example - and this is not an exhaustive list - they were told the car seat wasn't covered, they were told different excesses applied, and it appears Haven weren't entirely clear about the consequences of Miss M using her own preferred repairer.

I can see why this must have been frustrating for Miss M and it certainly put her to the inconvenience of having to contact Haven several times to find out with any certainty what was going on.

I also understand Miss M's frustration about the cost of the paint protection. However, her insurance policy indemnified her by providing the value of her car when it was written off. And that value would not be affected by the application of paint protection to the car. So, I can't say that Haven should have covered that cost.

I hope Miss M will also understand that she took out annual insurance - against insured events which might happen within a full year. If an insured event happens within the first month or so, that doesn't entitle you to a refund for the remaining time on the policy. In effect, you've had full value out of the policy - and the annual premium - in making the claim.

I also understand that Haven allowed Miss M the opportunity to continue the policy to cover a new car.

In terms of the excess, if that hasn't already been refunded, Miss M can reclaim that through the third party insurer.

I can see there was some confusion about the car being picked up by the salvager. Haven seemingly arranged this without consulting Miss M. She then thought that giving up the car committed her to the earlier, lower valuation.

This was however cleared up and once Haven had made it clear that the car couldn't be disposed of until Miss M had signed over ownership, it was reasonable for Haven to say that they wouldn't cover any costs Miss M incurred in storing the car elsewhere.

In short, having corrected the valuation, Haven appear to have brought this claim to the right - and fair - conclusion. They did so within a reasonable amount of time. Miss M brought her complaint to us within a month of the accident having occurred, so there were no great delays in reaching that point.

Putting things right

As I've said, the service Haven provided to Miss M in that period was poor and led to confusion, frustration and inconvenience for Miss M.

I'm satisfied that £150 compensation for Miss M's trouble and upset is fair and reasonable in all the circumstances. She had to chase Haven on a number of occasions to understand what was happening with the claim. And Haven failed to update Miss M when they should have - for example, about the car being picked up by the salvage company.

Miss M wants us to award higher compensation, but I think £150 is fair. I take into account the short period of time in which there was confusion about the valuation of the car, the fact that any misleading information about other aspects of the claim was reasonably soon corrected and the fact that the overall outcome – arrived at in relatively short space of time – is fair and reasonable.

As our investigator already did, I would also refer Miss M to our website, where we set out how we approach compensation awards. We make it clear there that awards between £100 and £300 are appropriate where there has been an impact on the customer that's "*more than just minimal*", requires reasonable effort to sort out and causes some distress or inconvenience over days or weeks.

I'm satisfied that's exactly the kind of trouble and upset that Miss M suffered in this case and the compensation suggested by our investigator is within that reasonable range.

My final decision

For the reasons set out above, I uphold Miss M's complaint in part.

Haven Insurance Company Limited must pay Miss M £150 in compensation for her trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 21 March 2023.

Neil Marshall
Ombudsman