

The complaint

Mr M complains about how Haven Insurance Company Limited has dealt with a claim on his taxi insurance policy. Specifically, Mr M is unhappy with the communication with Haven, delays in having the repair done and also the lack of a car while his is waiting to be repaired.

What happened

Mr M's taxi was hit by a third party's car, so he claimed on his policy with Haven. Haven reviewed the damage and said it would cost around £3,000 to repair. Mr M wanted to use his own garage and so got quotes from other garages to repair his taxi. The quotes Mr M obtained came in at over £15,000 for the repair. As the repair quotes Mr M obtained were more than Haven could repair the car for, Haven said it would repair Mr M's car or pay him the cash in lieu equivalent of what it would cost Haven to repair it.

Mr M didn't think Haven was handling his claim correctly and complained. He said he hadn't had a replacement taxi while his claim was ongoing, he also said the communication from Haven wasn't good enough and referred to the cash payment for not having a hire taxi. Mr M also said Haven was taking too long to deal with the claim.

Haven reviewed the complaint and issued a final response on 4 April 2023. In its final response Haven acknowledged it hadn't been able to provide the hire taxi as expected and had instead offered a cash equivalent. It also acknowledged delays with repairing Mr M's taxi but was due to have a meeting about it the day after. Haven also acknowledged its communication hadn't been good enough and apologised.

A few days later, Haven updated Mr M on his claim and said it could either repair Mr M's taxi or pay him the cash equivalent of what it would cost Haven to repair the taxi. Mr M wasn't happy with Haven's response and brought his complaint here. He said he'd been unable to work due to the delays in getting his taxi repaired and thought Haven should pay him the repair quotes he'd obtained.

Our investigator reviewed the complaint and upheld it in part. He found that Haven had offered to repair Mr M's taxi as it should do under the policy. He also didn't think it was fair for Haven to pay more than it would cost Haven to repair the taxi. So didn't agree Haven should pay the quotes Mr M had obtained. Our investigator also discovered that Mr M had now been provided with a hire taxi for the maximum amount of time allowed under the policy, so didn't think Haven needed to do anything else. However, our investigator agreed the communication about the claim could have been better and recommended Haven pay Mr M £100 compensation for the distress and inconvenience caused.

Haven agreed to our investigator's outcome, Mr M did not. Mr M said he'd been unable to work due to the poor claim handling and thought Haven should compensate him for his lost earnings. He also said our investigator hadn't commented on the storage costs for his taxi which Haven had been paying for.

As Mr M didn't agree the complaint has come 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.

Mr M has made a number of detailed points. We're an informal dispute resolution service set up as a free alternative to the courts. In deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue in turn. This isn't intended as a discourtesy to Mr M. Rather it reflects the informal nature of our service, its remit and my role in it.

In this decision I will only be considering what happened up until 19 April 2023. I'm aware our investigator said we could only consider what happened until Haven issued its final response letter on 4 April 2023. However, as Haven then clarified some points on the 19 April 2023, which is also the date Mr M referred his complaint here, I will be considering what happened up until 19 April 2023. Anything which has happened after that date which Mr M is unhappy with will need to be raised separately.

In the event of loss or damage to Mr M's taxi the terms and conditions of his policy say:

- "If Your Taxi is damaged, at Our option We will:
- a) Repair the damage to Your Taxi; or
 - b) Settle the claim by monetary payment; Or
 - c) Provide You with a replacement Taxi."

This means that Haven can decide which option it chooses to settle Mr M's claim. I've therefore looked at whether Haven has applied the terms in a fair and reasonable way for Mr M.

I can see that Haven has agreed to repair Mr M's taxi or said it would pay him the cash in lieu equivalent of what it would cost Haven to repair the taxi. Haven asked Mr M which he would prefer. Mr M has provided quotes to repair his taxi which are over £10,000 more than it would cost Haven. But, while I understand Mr M would like the quotes, he's provided paid, I'm not persuaded Haven needs to do so. I say this because one option available to Haven is to repair Mr M's taxi and as Haven has offered to do this, I'm satisfied that's a fair and reasonable way to handle his claim and I don't think it would produce a fair and reasonable outcome, in this particular case, for me to require Haven to spend more than £10,000 than it would cost it to carry out repairs. Haven has also said it would pay the cash equivalent amount that it would cost Haven to carry out repairs to Mr M if he wished to use his own repairer. As it would be Mr M's choice to use his own repairer, I'm satisfied its fair and reasonable for Haven to only pay Mr M what it would cost Haven to repair his taxi.

I've also considered the lack a replacement hire taxi Mr M raised. Mr M has another policy with Haven which says Haven is obliged to provide Mr M with a hire taxi in certain situations. I understand initially that Haven couldn't provide him the hire taxi and so offered the cash equivalent. Haven was then able to provide Mr M the hire taxi for the maximum time allowed under the policy. I've reviewed the policy terms and can see Haven has acted in line with the terms and conditions, I'm therefore satisfied it did what it was supposed to under the policy as it ultimately provided the hire taxi for the full duration available under the policy. However, given the conflicting information Haven gave about the cash settlement I'm satisfied Haven caused some unnecessary distress and inconvenience to Mr M which it should compensate him for.

Mr M also raised his loss of earnings and the storage costs for his taxi until it is repaired. The terms and conditions of Mr M's policy says loss of earnings aren't covered, however, if I'm

satisfied Haven has caused unnecessary delays and Mr M was unable to use his taxi then it might be appropriate for Haven to cover his loss of earnings on a fair and reasonable basis. When reviewing this complaint, I can see there have been some delays by Haven as acknowledged in its final response letter. However, when taking all of the circumstances into account including the hire taxi and repair times, I'm not satisfied Haven has caused Mr M the months of delays he's claiming loss of earnings for, I say this as Haven has been trying to deal with the claim and arrange the repairs to Mr M's taxi as I would expect it to. I therefore won't be telling Haven to cover Mr M's loss of earnings.

I can also see Haven had agreed to cover the storage costs of Mr M's taxi and has said it would be covering these past the point Mr M's complaint was referred here. As Haven has agreed to the storage costs past the date Mr M referred his complaint here, I'm satisfied its acted fairly and reasonably in the circumstances as it means he's not incurred a loss for storing his taxi until Haven could repair it.

As mentioned above though, in my view, Haven hasn't communicated as well as it could have, and this has led to unnecessary confusion as to what is happening on Mr M's claim. In particular Haven said hire taxis were available when they weren't and also gave the incorrect information about how much Mr M would receive when it couldn't provide a replacement taxi. To compensate Mr M for this, Haven should pay him £100 for the unnecessary distress and inconvenience it caused by the poor communication.

So, to clarify what I've said above:

1. I'm satisfied Haven has acted fairly by saying it will repair Mr M's taxi or pay him the cash equivalent of what it would cost Haven to repair it
2. I'm satisfied Haven acted fairly by providing the hire taxi as required under the policy
3. I'm satisfied Haven hasn't caused months of delays which has led to Mr M's loss of earning
4. I'm satisfied Haven has given misleading information in relation to how much it would pay when it had difficulties in supplying a replacement hire taxi which caused Mr M unnecessary distress and inconvenience

My final decision

For the reasons explained above, my final decision is that I uphold this complaint in part. I require Haven Insurance Company Limited to pay Mr M £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 September 2023.

Alex Newman
Ombudsman