

The complaint

Mr C complains about how Haven Insurance Company Limited (Haven) has handled his claim on his commercial van insurance policy. He says the service he got from Haven and the standard of its repairs to his van were both poor. And Mr C doesn't think the settlement Haven gave him when ultimately it declared his van a total loss was fair.

Haven is the underwriter of Mr C's policy, so it's his insurer. Part of this complaint is about how Haven's agents have acted. As Haven has accepted it's accountable for the actions of its agents, in my decision, any reference to Haven includes its agents.

What happened

The chain of events in Mr C's claim is long and complex but is well-known to both him and Haven. So, for the purposes of this decision, I'm going to summarise what I think are the key events and issues.

Mr C made two claims at the same time on his van insurance policy with Haven. The first was a fault claim following storm damage (which had occurred a few months before he made the claims), the second was a non-fault claim.

Haven's approved repairer network arranged for one of its repairers to carry out the repairs for both claims. I understand the repairs for the non-fault claim were completed in July 2022 and for the fault claim in September 2022.

At around the time the fault claim repairs were being carried out, Mr C complained to Haven that he'd had no communication from it. He also said Haven's approved repairer hadn't answered his calls or made contact to update him in any way for nearly three months. Because of this, he said he'd had to make multiple personal visits to the approved repairer to check on the progress of the repairs. Haven said the delays Mr C experienced were justified but communication by its approved repairer had been poor. So Haven paid Mr C £150 in compensation for the inconvenience this had caused him.

After the fault claim repairs had been completed, Mr C complained to Haven that they were below standard. Mr C met the assessor Haven appointed to inspect the repairs. He says over 70 defects were identified then and a further 20 were highlighted later. Haven's assessor gave a detailed report on the work needed to rectify the repair faults. The report also noted a private agreement between Mr C and the approved repairer to repaint the left side of the van.

Some weeks after submitting its report, Haven's assessor said it couldn't give an estimate for the rectification work, due to its complexity. Mr C says that, after weeks of "*back and forth*", Haven then asked him to get his own estimate. Mr C says he must've approached ten garages before finding one that would give an estimate. But Haven and its assessor didn't accept the estimate Mr C got and so a fresh dispute arose.

In the end, around eight months after Mr C first made his claims, Haven said it would settle Mr C's fault claim on a total loss basis. It offered Mr C £17,095 to settle the claim but with a

deduction of £1,050 for Mr C's policy excess.

Mr C initially said he'd accept Haven's offer if it agreed to waive his policy excess. Haven refused and so "*under protest*" Mr C accepted Haven's offer.

Separate to this, Haven's approved repairer network had also been looking at a complaint Mr C had made about its service. In its response to Mr C, the network said (among other things) the poor repair work by its approved repairer was not acceptable. It offered Mr C £200 in compensation for this, £50 for poor communication and another £50 because it said Haven's decision to offer Mr C a total loss settlement could've been made sooner than it was.

Unhappy with these outcomes, Mr C brought his complaint to us. The investigator who looked at it didn't think Haven needed to do anything more, since it and its agents had already paid Mr C £450 in total in compensation for the distress and inconvenience they had caused him.

Mr C disagreed. In the very briefest of terms, Mr C was unhappy with the valuation Haven gave him for his van – he said it hadn't taken into consideration his van was a limited edition anniversary model. And Mr C said his claims experience as a whole had "*nearly broken*" him as a human being and had also strained both his home relationships and his finances. He didn't think the compensation Haven had paid him reflected the impact its failings had had on him.

In my provisional decision of 23 October 2023, I explained why I intended to uphold Mr C's complaint. Haven has accepted my decision. Mr C has given me some further comments on why he thinks the valuation for his van should be increased. So Mr C's complaint has now come to me for a final decision.

Mr C has previously paid privately to have some of the damage to his van repaired. This is because Haven had disputed it had been caused by the storm that led to Mr C's fault claim. Mr C disputed Haven's findings on this issue and raised it as part of his complaint. I understand, however, that Mr C has now obtained a refund for these privately-paid-for repairs. Since that issue is now resolved, I won't be looking at it in this 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.

Having done so, and for the reasons I gave in my provisional decision, I've decided to uphold Mr C's complaint. Here's what I said:

"The first issue I've looked at is whether Haven has fairly valued Mr C's van. I don't think it has.

Mr C's van insurance policy says if Haven decides his van is beyond economic repair, it will give Mr C a settlement of the van's market value up to the limit of coverage after deducting his policy excess. The policy says the "market value" of Mr C's van is the cost of replacing it with one of a similar make, model and specification, taking into account the age, mileage and condition of his van. To determine the market value, Haven says it typically requests the advice of an engineer and refers to guides and any other relevant sources.

Haven valued Mr C's van at £17,095 and this is what it has paid him (minus his policy excess of £1,050). Haven's offer was based on its assessor's valuation of Mr C's van. This

valuation also mirrors a valuation the investigator who looked at Mr C's complaint got from one of the motor trade guides and it's slightly higher than the valuation she got from another of the motor trade guides.

But Mr C has always said his van was a limited-edition anniversary model and was in impeccable condition. He's strongly of the view that Haven didn't take this into consideration when it valued the van.

From the evidence I've seen, I think Mr C's van was a limited-edition anniversary model. Because of this, rather than relying on the guides our investigator got, I asked one of the motor trade guides to give us a bespoke valuation for the van. I've attached a copy of its valuation to this provisional decision. The retail valuation it gives for Mr C's van based on a mileage of 100,000 miles is £20,750 and based on a mileage of 150,000 miles is £17,095. The mileage on Mr C's van was just over 132,000 miles.

Valuing a vehicle isn't an exact science. What I have to decide is what I think is a fair and reasonable value for Haven to place on Mr C's van. On the basis of the bespoke valuation we have, I think a fair and reasonable valuation for Mr C's van is £18,557. I've reached this figure by calculating the difference between the two valuations of £20,750 and £17,095 – that is £3,655 – and by deducting three fifths of that sum (£2,193) from the higher of the two valuations. I've done this because I think it most closely represents, on a proportionate basis, the likely value of Mr C's van, given its mileage of just over 132,000. So, unless I see any further evidence to make me think I should change my mind on this, I intend to direct Haven to settle Mr C's fault claim for £18,557 (plus interest but minus his policy excess of £1,050) rather than £17,095.

Turning next to the second issue in this complaint, which is Mr C's overall claims experience with Haven, Mr C has described the impact it has had on him as follows:

"I must emphasise I have nearly had to quit my current job due to stress; I have been admitted to hospital from a suspected heart attack and had to take time of (sic) work, my home relationships have been strained and our finances have been pushed to breaking point, I have very nearly lost my vehicle due to the missed finance payments, suicide was optional, this process has very nearly broken me as a human being, two months into this claim I lost my mother suddenly and had to prioritise this failed claim over matters for my mother, for this no amount of money will ever compensate me."

From Mr C's case file, it's clear he's experienced considerable distress, upset and worry as a result of Haven's handling of his claims, as well as significant inconvenience and disruption that has needed a lot of extra effort to sort out over a number of months.

Haven has accepted its approved repairer's communications with Mr C were poor. And the approved repairer network has also said the poor repair work carried out by its approved repairer wasn't acceptable. For these failings, as I've said, Mr C has already been paid £450. But I don't think this amount of money fairly and reasonably compensates Mr C for the impact Haven's failings have had on him. He describes hundreds of phone calls, as well as a number of personal visits to the approved repairer to see how the repairs were progressing because his calls went unanswered.

After the repairs for the fault claim had been completed, it must've been distressing for Mr C to find so many faults with them. And it then must've been equally distressing and also frustrating for Mr C to find out that Haven's assessor was subsequently unable to give a repair estimate. From what Mr C describes, there was more distress and frustration when, after going to the (extensive) trouble of getting his own quote, that quote was then disputed by Haven and its assessor. And, finally, there was the further distress Mr C felt at the

settlement Haven offered him when it said his car was a total loss (and which, for the reasons I've given above, I don't think was fair and reasonable).

Having considered all of this, I intend to direct Haven to pay Mr C an additional £300 in compensation for the distress and inconvenience its handling of his claims has caused him."

As I've said, Haven has accepted my provisional decision. Mr C has responded with reasons why he thinks the valuation should be increased. He says before the storm caused damage to his van, he'd had three offers of between £24,450 and £26,550 for it. He says even after the storm damage, buyers were offering him upwards of £19,000. Mr C says his van was in above-average condition, religiously maintained and serviced with original manufacturer's parts at named service centres. He's asked me to increase the valuation to a minimum of £22,500, which is midway between the current valuation and his expectations of a resale value for his van of about £25,000.

I don't doubt Mr C's van was in impeccable condition nor do I doubt he was given the offers he says he was. But we have a bespoke valuation from one of the motor trade guides, from which I've calculated a valuation. Although, as I've said, vehicle valuation isn't an exact science, we attach some weight to these valuations. So I'd need to see persuasive evidence to depart from it. Mr C's testimony about the offers he got – which may or may not have come to fruition – isn't enough to persuade me it would be fair and reasonable to do so here.

My final decision

For the reasons I've given here and in my provisional decision of 23 October 2023 (which now form part of this final decision), I uphold Mr C's complaint and direct Haven Insurance Company Limited to:

- Settle Mr C's fault claim based on a valuation of £18,577 rather than £17,095 (minus Mr C's policy excess, which I understand is £1,050). I think this means Haven Insurance Company Limited must pay Mr C an outstanding balance of £1,482 in settlement of his claim. Haven Insurance Company Limited must also pay interest on this outstanding balance at the rate of 8% a year simple from the date on which Haven Insurance Company Limited paid Mr C its initial settlement amount to the date of payment.
- Pay Mr C a further £300 (on top of the £450 it has already paid him) in compensation for the distress and inconvenience it has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 November 2023.

Jane Gallacher
Ombudsman