

The complaint

Mr S has complained about his car insurer Haven Insurance Company Limited. His car was being repaired by his garage following an insured incident and Mr S believes Haven unfairly delayed payment to the garage, causing the garage to delay releasing his car to him.

What happened

Mr S's car was damaged in an accident in April 2023. He made a claim to Haven and chose to use a garage of his choice for the repairs. When the garage took the car in for repairs, Mr S signed an agreement with the garage that it would not release his car to him, once repaired, until it received payment from Haven.

On 6 July 2023, according to Mr S's garage, the car was ready to be returned. But the garage said it had not had payment from Haven, and it wouldn't release the car until it had been paid. The garage was paid on 17 July 2023 and Mr S's car was returned to him.

Mr S complained. He felt Haven had unreasonably delayed paying the garage. He said he'd lost two weeks work because he didn't have the car. Mr S said that having got the car back, he earnt significant sums in the following two weeks.

In its final response letter issued in September 2023, Haven said it didn't think it had caused any unreasonable delays. It said it had paid the final invoice from the garage within a matter of days of its receipt. Mr S complained to the Financial Ombudsman Service.

Our Investigator noted the policy explains that a claim might take longer if a policyholder chooses to use their own garage. Having reviewed both detail from Haven and submissions made by Mr S about the garage's actions, she didn't think Haven had caused any unreasonable delays. So she didn't uphold the complaint.

Mr S said he shouldn't be subjected to delays, just because he chose to use his own garage.

The complaint was referred for an Ombudsman's 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 I find my view is the same as that set out by our Investigator. That is not to say that Mr S should fairly expect a claim to be delayed because he uses his own garage. But rather that if Haven uses its own garage, there are procedures and agreements in place that will allow the claim to progress more smoothly and quickly. For example, Haven's garages will likely have a contractually agreed labour rate in place – so Haven won't have to validate invoices in the same way it will do for other garages. Haven can't reasonably ensure a swift claim process where companies outside of its control are being used.

Haven though is still responsible for doing what it can, and has to do, to progress a claim, in a reasonably timely manner. What that will mean in practice will depend on the circumstances of each claim. Here the issue was paying Mr S's chosen garage for the repair which had been undertaken. I appreciate that Mr S might have expected payment for that work to be made on the day his garage said the car was ready to collect. But on that day Haven hadn't received a final invoice for the work. Once an invoice was received, Haven would always have needed chance to check it to make sure it wasn't being asked to pay more than what it would have cost it to do the work or for work that was not covered.

Mr S's garage said it submitted the final invoice on 10 July, with Haven's files showing it didn't receive it until a couple of days later. Payment was made by Haven on 17 July, with a weekend in between. Even using the date of submission though, payment being made within a week, 5 working days, is not an unacceptable time period.

I appreciate that the delay in getting the car back was inconvenient for Mr S. However, I'm not persuaded that Haven is reasonably responsible for that disruption because it didn't, in my view, unreasonably delay payment to the garage.

My final decision

I don't uphold this complaint. I don't make any award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 29 February 2024.

Fiona Robinson
Ombudsman