

The complaint

Mr O complains about the service that Haven Insurance Company Limited (“Haven”) gave him and that it disposed of his car without his permission following a claim under his motor insurance policy. When I mention Haven I also mean its suppliers.

What happened

Mr O had a motor insurance policy with Haven covering his car.

In March 2023 Mr O was involved in a collision. He reported the collision and made a claim. He thought his car was being repaired, but Haven sold his car without his authorisation.

Mr O wasn’t happy with this as he wanted to keep the car as it was very suitable for his family.

Haven apologised and offered him £150 compensation. It also waived Mr O’s £300 policy excess as a gesture of goodwill.

Mr O remained unhappy and brought his complaint to this service. Haven increased its offer of compensation to £250.

Mr O is unhappy about the amount Haven said it would pay him under the terms of his policy. He says he isn’t able to find a replacement car for the money he was offered and he needs that model because of where he lives and his family’s needs. He also talks about the service he had from Haven during his claim with lots of time spent on calls, not being updated by them, and that Haven had his car for an extended period before disposing of it without telling him.

Our investigator looked into his complaint and thought it would be upheld. She thought Haven’s service had been poor and had caused Mr O considerable inconvenience. She thought Haven should pay additional compensation of £350, making the total £600. She also thought it was likely Mr O would be found not at fault for the collision, which would mean Haven recovered his excess from the third party. She said if this happened, Haven should pay the £300 to Mr O.

Haven didn’t agree with the view.

Because it didn’t agree, this complaint has been passed to me to make a 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.

I’ve only provided very brief details of Mr O’s claims journey above, but I’d like him to know that I’ve read all of the file of evidence I’ve been provided even if I don’t mention it further here. This is in line with the informal nature of this service’s approach.

Having looked at the evidence, I'm upholding Mr O's complaint.

Mr O's frustration and disappointment are significant and demonstrable. His car had broken down and was pulled over, with his hazard lights on, when it was hit by a third party. It's clear to me that he valued his car very highly as it was very suitable for him and his family.

It's apparent that the decision to write-off his car was taken by Haven very early in the claim, but it didn't tell Mr O about the decision for about three months.

Haven assessed that his claim was likely to be determined as a non-fault collision and Mr O was provided with a hire car which he had for a few months.

I can see from his evidence that the stress of the situation caused him some problems with his health and meant he really struggled to support his family in a time they were vulnerable.

I've thought carefully about the amount of compensation to award Mr O. At the centre of this is that Haven has objected to the £300 excess it waived potentially being included in the compensation awarded by this service.

But the £300 excess is Mr O's money. As part of his policy with Haven he agreed to pay this amount as the first part of every claim he made. If Haven is able to fully recover costs from a third party who caused the loss, then it's said it would pay his excess back to him.

So, while I think initial action to tell Mr O it'd waive his excess was seemingly fair, I don't think it's fair that it can reasonably say its offer was merely goodwill because, as I mention above, the excess was his money.

I've looked at this service's guidelines on compensation and thought carefully about Mr O's distress and inconvenience caused by Haven's claims handling.

Taking everything into account, I think Mr O should be paid a total of £600 for his distress and inconvenience caused by Haven's poor claims handling and disposal of his car without his permission.

I also think Haven needs to return Mr O's excess to him if it's able to recover its costs from a third party in line with its normal claims handling procedures.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint

Haven Insurance Company Limited should pay a total of £600 compensation to Mr O. If any amounts of compensation have already been paid then they can be deducted.

Haven Insurance Company Limited must pay the amount within 28 days of the date on which we tell it Mr O accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

If Haven is able to recover its costs from the third party then it also needs to return Mr O's excess of £300 to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 7 June 2024.

Richard Sowden
Ombudsman