

## **The complaint**

Mr A complains about how Haven Insurance Company Limited (Haven) settled a claim made under his commercial motor insurance policy.

## **What happened**

In January 2024, Mr A's car was stolen from outside his home. The car was recovered and released by the police in early February. Mr A says a couple of months later Haven valued his car at £18,000 which he didn't accept. Mr A considered a more accurate valuation was closer to £23,000, which is in the region of what he'd paid when he bought the car a few months earlier. Haven increased their valuation by £140. Mr A says he was advised to accept this offer as an interim payment so he could buy another car, which he did. But he says he didn't hear anything more from Haven, so he complained as he still considered the valuation too low.

In May 2024, Haven said it was satisfied the valuation offered was fair in the circumstances and didn't agree it should be increased. Unhappy with Haven's response, Mr A referred his complaint to the Financial Ombudsman Service. He said the low valuation meant he was out of pocket as he'd bought a new car for more than the valuation. He also said he's lost income as he'd been unable to work for a number of weeks.

Mr A's concerns were considered by one of our investigators who assessed a number of different trade guides. He said the amount Haven had offered wasn't in line with our published approach to valuations, so recommended Haven increase the valuation by £191 and pay simple interest on this amount. However, our investigator didn't recommend Haven make a payment for the lost earning Mr A said he experienced, given the relatively small increase.

Mr A accepted our investigators conclusions, but Haven didn't, and this matter has been passed 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.

Having done so, I've reached the same conclusion as our investigator and for the same reasons.

The policy terms say if the policyholders car is beyond economic repair, Haven will provide a settlement of its market value. And the policy defines market value as:

*"The Market Value of your Taxi will be determined as the cost of replacing Your Taxi with one of similar make, model and specification, taking into account the age, mileage and condition of Your Taxi. To determine the Market Value, We will typically request the advice of an engineer and refer to guides and any other relevant sources."*

Our approach to motor valuations is to say in this situation, a valuation should be based on the highest guide value, or very close to it, unless an insurer can provide evidence to show the value is wrong.

I've considered the available guides to decide whether the valuation offered by Haven at £18,140 was fair. These guides were Cap Market Value Manager, AutoTrader, Glasses, and Percayso at £17,095, £17,823, £18,140, and £18,331 respectively.

Haven offered £18,140 which I acknowledge is close to the highest valuation of £18,331. I've considered its comments and the additional adverts provided. However, like our investigator I don't consider these to be persuasive because only one was for a similar model to Mr A's car.

I don't consider any of the evidence provided is sufficient to persuade me to depart from our published approach on how an insurer should settle claims about vehicle valuations. Our approach says if we think a valuation is unfair, we'd say an insurer needed to increase it. Here, I consider the fairest valuation to be the highest from the available guides. Though I recognise it's not significantly more than Haven offered, to agree Haven could pay less would leave Mr A out of pocket. So, in the circumstances of this case, Haven should pay Mr A the difference between the valuation offered at £18,140 and the highest valuation of £18,331 which is £191.

Mr A says while Haven previously offered him an additional £140 this wasn't paid to him. Haven confirmed this payment was made in the last few days. Haven hasn't explained why it didn't pay Mr A the additional £140 when it offered this, and I think not doing so left Mr A out of pocket. In line with our usual approach to interest payments, Haven should also pay 8% simple interest on the additional amounts of £140 and £191 from one month after the claim was made until the date of settlement.

I appreciate Mr A also expressed some concern about the time taken to settle his claim. But from the point Haven was notified of the theft I can see there were a number of inspections and checks that needed to take place in order to determine whether the car could be repaired. And after it was a total loss the valuations needed to be determined. Mr A's focus during his communications was about the valuation, I can't see he's mentioned concerns about the time taken to settle the claim and the impact that might have had on his income. If Mr A remains concerned about this, he can contact Haven directly to raise these issues as a new complaint as I can't see these were raised with Haven.

### **My final decision**

My final decision is that I uphold Mr A's complaint and require Haven Insurance Company Limited to:

- Pay Mr A an additional £191 for the valuation.
- Pay 8% simple interest as set out above \*.

\* If Haven Insurance Company Limited considers that it's required by HM Revenue & Customs to deduct income tax from any interest paid, it should tell Mr A how much it's taken off. If requested, Haven Insurance Company Limited should also provide Mr A with a certificate showing the amount deducted, so he can reclaim it from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 November 2024.

Emma Hawkins  
**Ombudsman**