

## **The complaint**

Mr S has complained about the valuation that his commercial vehicle insurer, Haven Insurance Company Limited ('Haven'), placed on his taxi after it was declared a total loss.

## **What happened**

In June 2024 Mr S was involved in an accident which wasn't his fault. As a result of the accident his taxi was declared a total loss.

Mr S made a claim under his policy with Haven who ultimately assessed the taxi's value at £9,860. Mr S didn't agree with the valuation and felt his taxi was worth substantially more. He also said that he had already paid around £7,000 in car finance payments which he believes Haven should reimburse him for.

Mr S complained to Haven about the valuation but it didn't uphold the complaint. Haven said that £9,860 was the maximum it could possibly offer him and issued an interim payment.

Mr S then brought his complaint to us. He said he was struggling financially and wasn't able to work without a car.

One of our investigators reviewed the complaint but didn't think it should be upheld and that Haven's valuation was fair and reasonable. She also said that it's not Haven's responsibility to reimburse Mr S for the £7,000 he paid towards his car finance agreement and said that if he was unhappy with that agreement, he could raise a complaint with the finance company and then with our organisation.

Mr S didn't agree. He said that the payment he received wasn't enough to clear his car finance and wants to at least clear that.

As there was no resolution, the matter was 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.

I'd like to start by saying I was very sorry to hear that Mr S was involved in an accident and about the impact this is having on him, particularly financially. And I can appreciate his overall frustration especially as he wasn't to blame for the accident.

The terms and conditions of Mr S's policy say that, amongst other things, if Haven considers the taxi to be beyond economic repair as a result of an accident covered by the policy it will,

subject to certain conditions, provide the owner of the taxi with settlement of its market value after deducting the excess.

The policy defines the “market value” as:

*“The Market Value of Your Taxi will be determined as the cost of (the) 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 service has an approach to valuation cases like Mr S’s that has evolved in recent times. When looking at the valuation placed on a car or a taxi by an insurance company, I consider the approach it has adopted and decide whether the valuation is fair in all the circumstances.

Our service doesn’t value cars/taxis. Instead, we check to see that the insurer’s valuation is fair and reasonable and in line with the terms and conditions of the policy. To do this we tend to use relevant valuation guides. I usually find these persuasive as they’re based on nationwide research of sales prices.

From what I have seen, Haven used two of the four motor guides we use. We consulted the other two guides as well as one of the ones Haven had used. The guides Haven used produced values of £9,860 and £7,995. I’ve also reviewed the valuations our investigator got which were £9,466, £8,917 and £7,825. I think the valuations are fairly close to each other aside from the lowest ones. So I have discounted the £7,825 and £7,995 valuations which were both from the same guide.

Haven ultimately valued Mr S’s car at £9,860 which is the highest of the four valuations.

Mr S provided some of his own valuations to Haven. Those were for £14,550 and £11,620 but it is not clear on what information those valuations are based, so I have not taken them into account. For example, it’s not clear whether they were based on the correct mileage etc. There was a further valuation for £11,995- £12,600 but that was based on the car having very low mileage which wasn’t the case for Mr S so I have discounted that one as well.

Mr S has also provided adverts for similar cars which were being advertised for £15,489 and £15,995. The cars in the adverts have much lower mileage than Mr S’s so I haven’t taken those adverts into account. Haven has also provided adverts in support of its valuations. They were for cars with similar mileage to Mr S’s and their prices ranged from £8,450 to £9,900 with the exception of one which was priced at £11,995. But I considered this to be an outlier as it was significantly higher than all the others. As Haven’s adverts are for cars which are very similar to Mr S’s car, I have found them to be persuasive evidence of the car’s value. And those adverts are in line with the valuations produced by the guides.

Looking at the valuations produced by the guides I’m persuaded that Haven’s offer of £9,860 is fair. This is because it is the highest of the four valuations and I think it’s a fair offer and that Mr S can replace his car with a similar one for the amount offered.

Given there isn’t any other evidence that is persuasive and relevant enough to persuade me that a valuation in line with the higher valuations produced is inappropriate and to avoid any

detriment to Mr S the highest valuation produced by the guides is my starting point. And as Haven has offered the highest valuation, I think it has acted fairly and reasonably in the circumstances.

I appreciate Mr S says he has been left severely out of pocket due to having paid around £7,000 toward his car finance and still having to pay towards his finance agreement. But, under these circumstances, his insurance policy with Haven is only designed to compensate him for the market value of his car and not for these other potential losses. He has said that he has appointed solicitors so if he wants to recover any uninsured losses, this is perhaps something he can raise with them. And as our investigator said if he is unhappy about his finance agreement, he is free to complain to the finance company and then to us.

I appreciate Mr S will be disappointed with my decision but for the reasons I gave above I think Haven has followed its terms and conditions and dealt with the matter fairly and reasonably. So I am not asking it to take further action on this occasion.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 10 December 2024.

Anastasia Serdari  
**Ombudsman**