

The complaint

Mr S complained about Haven Insurance Company Limited's valuation of his car when he claimed under his motor insurance policy.

What happened

After Mr S's car was damaged in an accident, Haven decided that it was beyond economic repair. They offered him an amount for its market value of £4,310, less the policy excess and outstanding premium.

Mr S didn't think the market value Haven offered was enough. He said that Haven had at first offered him a higher amount of £6,930 and he wanted Haven to honour that instead. Haven said they'd offered that higher amount by mistake, and that the £4,310 was a fair amount for his car's value assessed in line with this Service's guidance. They wouldn't increase it.

Mr S also had complaints about the courtesy car, but Haven thought they'd acted in line with his policy there too.

The investigator thought that the complaint should be partly upheld. He thought that Haven had valued the car fairly and reasonably, but that Haven should compensate Mr S for the distress and inconvenience their service had caused. Mr S didn't agree and so I've been asked 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.

Courtesy Car

Haven provided a courtesy car for Mr S. But Mr S was unhappy that Haven hadn't arranged it for him locally earlier, that it wasn't "like for like" and Haven didn't give him it for long enough.

I see that Mr S's policy says on page 21 what type of courtesy car he was entitled to, with examples. It said that the courtesy car was a more basic type of car than his, and that it didn't have to be "like for like." I think that policy term is clear, and I can't say that it's unfair. I see that Haven did check with his broker to clarify if Mr S had chosen the optional extra of enhanced courtesy car cover, but he hadn't.

Haven gave him a courtesy car for seven days. Mr S didn't think that was long enough. However his policy said that where Haven decide a car is uneconomical to repair the consumer is entitled to a courtesy car for up to seven days. So again that's clear in the policy and not unreasonable. So I think that Haven did comply with their policy terms there.

And once Haven had validated his claim, although hindered by their car hire partner's availability of cars, Haven did arrange a courtesy car for him. But I can tell that it was an

inconvenience for Mr S that Haven didn't have a courtesy car available locally at first, particularly as he was willing to travel to another town to get one.

Mr S was only entitled to a courtesy car for a seven day period, not for the whole period a consumer might be without their car after an accident. And the policy didn't require Haven to provide one immediately after Mr S's accident or within any particular period of time. So it's likely that there would always have been some inconvenience to Mr S, whenever that seven day period was. Nevertheless I agree with the view of the investigator here that Haven could have done more to help Mr S get a courtesy car earlier. And so I think that they should compensate him £50 for the impact of their service in that regard.

Car's valuation

The investigator explained to Mr S our approach regarding complaints about car valuations. We don't decide what the market value of a car is; we merely consider whether the insurer has reached a fair and reasonable amount having regard to the valuations in the trade guides, as well as any other evidence the parties may provide. We find these guides to be particularly persuasive, largely because their valuations are based on nationwide research and likely sales figures. However we also take account of any other evidence provided by both sides. That evidence could include advertisements for the sale of similar cars, and the car's condition at the time of the incident.

I've looked at his policy and it says:

"Market value

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

Haven offered him £4,310 less excess and outstanding premium. They'd first formally offered £3,751 but increased it after Mr S complained and Haven had their engineers review it.

Mr S thought his car was worth more than that. His focus was that in an earlier phone call Haven had already offered him £6,930 if he sent them various information, including proof of purchase, his car's service history, pictures of the keys, and pictures of the car before the accident. I've listened to that call and note that Mr S was willing to accept that amount.

Haven accept that they offered £6,930 but said that it had been a mistake on the part of their employee. They couldn't explain how it had happened other than that the employee had perhaps been looking at wrong information. They said that their employee couldn't have given a final offer at that stage because the amount was dependent on information Haven didn't know yet, which would affect that offer, such as its mileage. And they said that, in any event, Haven had not promised or guaranteed the higher amount and that during the call Haven had made clear that it was subject to review after they'd got the further information.

Mr S thinks that Haven should stick to their original offer of £6,930. He said that Haven promised him this and were going back on it. He's told us that the situation has caused him severe mental stress and he was struggling financially.

I do sympathise with his situation, and I understand that he feels that Haven promised something and took it away. But while I see that the situation is frustrating for him, I don't think that Haven did make Mr S a promise or that they've gone back on it. Instead Haven made a human error.

Haven have apologised for that error, and also corrected it very promptly within a few days. Mr S said when he phoned Haven again they said that their first valuation wasn't correct, and their assessment of his car's market value was still pending. I've looked at Haven's file notes which confirm that this call took place about a day or so after the call with the mistake. So at most, Mr S's expectation that he'd receive the mistaken amount lasted only a few days. I've not been shown that Mr S relied on it to his detriment. And so it wouldn't be fair to hold Haven to that mistaken amount. So I don't think that Haven are required to pay him the £6,930.

I'll go on later to consider whether Haven should pay any compensation to Mr S for distress and inconvenience due to their mistake.

Haven have shown that they did use the motor trade guides in assessing his car's market value as £4,310, as well as any other evidence provided. The investigator also himself checked against the guides. As he explained, he looked at four trade guides. They provided valuations of £4,310, £3,192, £3,225, and £2,598.

Because Haven have offered Mr S the highest of those amounts, I think they've acted fairly. I know he thinks that their final offer didn't reflect the premium he'd paid them, but that's not a relevant factor in assessing market value.

So Haven have acted in line with their policy terms and valued Mr S's car in accordance with our guidance. That means it's a reasonable valuation and I won't ask Haven to increase it. I also think that they that offered a fair market value within a reasonable time after the accident and Mr S making the claim, so they aren't liable to pay interest on that.

However I do think that Haven 's actions in offering a mistaken amount at first did cause Mr S distress and inconvenience which amounted to more than that which we'd expect a consumer to experience while making a motor insurance claim. It caused him confusion, affected his faith in Haven 's handling of his claim, and took him time to sort out. Haven gave him poor service and their mistake unfairly raised his expectations as to how much his car was worth. And so I think that Haven should compensate him for that.

But that compensation must take into account that although Haven made the mistake, it was a very short period before Haven put him right on the correct position. So I think that compensation of £200 for this does reasonably reflect Haven 's actions in the short term raising and lowering of Mr S's expectations as to how much his car was worth and their poor service.

I realise that Mr S will be disappointed by this, and I understand that he would have liked a different decision from us. But in all the circumstances, I think that the above total compensation of £250 is fair.

My final decision

For the reasons given above, my final decision is that I partly uphold the complaint and I require Haven Insurance Company Limited to do the following:

- Pay Mr S a total of £250 in compensation for the distress and inconvenience caused by their poor service.

Haven must pay the compensation within 28 days of the date on which we tell them Mr S accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 February 2025.

A handwritten signature in blue ink that reads "R. Scott". The "R" is large and stylized, followed by a period and the word "Scott" in a cursive script.

Rosslyn Scott
Ombudsman