

## The complaint

Mr W complains about how Haven Insurance Company Limited ('Haven') handled a claim on his motor insurance following an accident.

Mr W is represented in this matter by his partner, Ms W. I'll refer to both in my decision.

## What happened

Mr W had commercial vehicle insurance with Haven for his work van. In May 2024 he was involved in a road accident. He reported this to Haven and made a claim on his insurance. Haven instructed its approved repairer (referred to in my decision as 'S') to assess the damage.

A brief timeline of the claim is:

- 31 May. Mr W's accident.
- c4 June. Mr W's van collected by S.
- 19 June. Haven told Ms W it had approved S's estimate for repairs.
- 24 June. S told Ms W the van would be ready to collect on 5 July.
- 2 July. S told Ms W the van was a total loss and would be collected by a third party as salvage. It asked her to collect any personal belongings from the van.

Ms W complained about Haven's decision to write off the van. Haven explained that S initially thought the van could be repaired. However, after further investigation its estimate showed the van was a "*total loss*". Haven initially valued the van at £12,307.50 and offered this as settlement for the claim. It increased its offer to £13,865, less the policy excess. It later increased this to £16,669 to include VAT.

Following further discussions with Ms W, Haven gave her two options: accept the settlement offer, or have the van repaired by her own garage. Ms W told Haven they'd get the van repaired themselves.

Ms W complained to this service. She says, in summary:

- Haven's decision to declare the van a total loss was unfair.
- It should pay for repairs to the van.
- Its decision to hold Mr W liability for the accident was also unfair.
- Its decision to withdraw the courtesy vehicle while the claim was still ongoing was unreasonable.
- This matter caused Mr W significant distress and cost him lost earnings.

Our investigator recommended that the complaint should be upheld in part. She found:

- Following this service's involvement, Haven agreed to refund the cost of repairs, less the policy excess.
- Haven's decision to hold Mr W at fault for the accident was in line with the Highway

Code and was reasonable.

- The policy excess was a compulsory condition of the policy, so it was reasonable for Haven to deduct this.
- Haven caused Mr W distress and inconvenience in its handling of his claim. Specifically, she thought Haven took too long to declare the van a total loss and its communication during the claim was poor. She recommended that it pay Mr W £250 for this.

Ms W didn't accept this, so the complaint was passed to me. She says Haven acted unfairly by withdrawing the courtesy vehicle while settlement discussions were ongoing so it should cover the cost of Mr W's hire vehicle. She doesn't think £250 compensation reflects the "time, effort, stress, inconvenience, uncertainty, anxiety and worry" she and her partner went through. Finally, she doesn't think Haven should apply the policy excess because she believes this is paid to S, who didn't repair the van.

### **My provisional decision**

I issued a provisional decision on this complaint on 27 January 2025. I said:

*"Ms W has made detailed points about why she believes Haven's actions were unfair. I've looked at everything she's said but I don't think I need to comment on each point to reach the right outcome. I've focused instead on what I think are the key issues. Having done so, I agree with some – but not all – of Ms W's points.*

*I think Haven handled the claim poorly. S's damage report gives the "date of inspection" as 31 May. I think that's an error given this was the date of the accident and S didn't get the van until early June. The photos in the report are timestamped 25 June and the report is dated 26 June. So I'm satisfied S didn't assess the damage until 25/26 June. It didn't tell Mr W that his van was a total loss until 2 July, a week after its report and over a month after he made the claim. I don't think that's acceptable.*

*Also, Haven's records show it told Ms W the repairs had been approved on 19 June: "PH called fro [sic] update on estimate, advised has been authorised today". Its note dated 25 June gave an estimated collection date of 5 July. I don't understand why Haven would tell Ms W that repairs had been approved and tell her when she could collect the van before S had assessed the damage.*

*Haven declared Mr W's van a total loss. In policy terms, it was "Beyond Economic Repair" (BER). This is defined on page 6 of the policy booklet: "Your Vehicle will be considered to be Beyond Economic Repair if We conclude that the extent of any damage to Your Vehicle makes it uneconomical or unsafe to repair."*

*I understand why Ms W questioned this. Mr W bought the van for more than £22,000 in May 2023. S's repair estimate was £8,866.43 plus VAT (£10,639.72). While Haven's valuation of the van (£13,865) and final settlement offer (£16,669 including VAT) were much less than the purchase value, it wouldn't have been clear to Ms W why the van was BER.*

*Haven's internal records suggest its policy is to declare a vehicle a total loss if repairs cost more than 50% of the vehicle's market value. S's estimate was more than this so – on the face of it – its decision to declare the van BER was reasonable.*

*However, Mr W's garage was able to fix the van for much less than S's quote. Its 19 July estimate was £3,850 plus VAT. The final cost was £3,964.26 plus VAT (£4,757.08). Mr W bought some replacement parts himself for £495 (bumper, bonnet, radar sensor bracket). His garage estimated these would have cost no more than £1,000 new. That means that –*

*even with new parts – the total cost of repairs was less than half S's estimate.*

*It looks like the total cost to Mr W was £5,252.08. I'd be grateful if Ms W would confirm this when she replies to my provisional decision. I'm satisfied this would have been within Haven's BER calculation. Mr W's policy allows for repairs to be done by his own repairer so Haven should refund this, plus interest.*

*Haven withdrew its courtesy vehicle on or around 10 July. Mr W was forced to pay for his own hire van and Ms W wants Haven to refund this cost. There are two relevant policy terms here:*

- Section B2.8 ('Loss or Damage to your vehicle'): "At Your request, We can sub-contract the repair work that We are to carry out to a repairer of Your choice, but this may lead to delays in arranging the repairs. We do not provide a Courtesy Vehicle if You request that We sub-contract the repair work that We are to carry out to a repairer of Your choice, even if the Courtesy Vehicle option is shown in your Schedule."*
- Section H1.1 ('Courtesy Vehicle Cover'): "In the event that Your vehicle is rendered a total loss... We will provide You with a Courtesy vehicle for Your use for a maximum period of seven days only. In the event that Your Vehicle can be repaired following an accident We will provide You with a Courtesy Vehicle for the duration of repairs only when We are repairing Your Vehicle without involving a sub-contractor that You request that We engage with. Where You request that We sub-contract the repair work that We are to carry out, We will not provide You with a Courtesy Vehicle."*

*That means:*

- Haven will only provide a courtesy vehicle if its own repairer carries out repair work.*
- A courtesy vehicle isn't available for more than seven days if the policyholder's vehicle is declared a total loss.*

*However, I don't think Haven acted fairly by relying on these terms in this case.*

*First, it took S almost a month to produce an estimate for repairs. So Mr W was without his van for over a month before Haven told him it was a total loss. I don't think this was acceptable.*

*Second, S's estimate for repairs was £10,639. Mr W's garage was able to fix his van for less than half that. What's more, correspondence between the parties suggests S offered to fix the van for less than its original quote. I think this raises questions about the accuracy of the original estimate.*

*Third, Haven withdrew its courtesy vehicle on or around 10 July. However, its records show that on 9 July it agreed to review Mr W's garage's quote for repairs. I agree with Ms W that discussions about the decision to declare the van BER hadn't concluded when Haven withdrew the courtesy vehicle, so I'm not persuaded it acted fairly by doing this.*

*Finally, the main reason Haven and other insurers require policyholders to use their authorised repairers and limit the use of courtesy vehicles is to control costs. In this case, Mr W mitigated Haven's costs significantly by having his garage repair the van rather than accept a cash settlement of more than £16,600.*

*For these reasons, I think Haven should refund the cost of Mr W's courtesy vehicle, plus*

*interest. Haven can reasonably ask for evidence of these costs if Mr W hasn't already provided it.*

*For the avoidance of doubt, I think the time his garage took to repair the van – which is the time Mr W hired his own vehicle – was reasonable. Mr W's garage provided an estimate on 18 July and completed repairs by 9 August. This is less time than it took S to provide an estimate. I also accept that the van Mr W hired privately is likely to have been more expensive than the one he was entitled to under his policy. However, in the context of the claim I think the additional cost would be negligible and should be borne by Haven.*

*I disagree with Ms W on the following issues:*

- Liability for the accident. Mr W's description of the accident was that he hit the back of the third party's vehicle. Mr W blames the third party for braking sharply, however I think it was reasonable for Haven to hold Mr W liable for the accident, for the reasons it set out.*
- Policy excess. This is "The amount or amounts shown in the Schedule which You have to pay towards any claim". Mr W has effectively 'used' his policy because Haven has agreed to cover the cost of repairs. I don't think it's unreasonable for it to apply the policy excess.*
- Lost earnings. Mr W says he lost two weeks' earnings for the period after Haven withdrew the courtesy vehicle. However, Ms W hasn't explained why Mr W didn't hire his own vehicle during this period and she hasn't provided evidence of loss, for example work that he couldn't fulfil during this time. So I don't think Ms W has provided evidence of any consequential loss due to Haven's actions.*

*Having said that, it's clear from reviewing Haven's records, correspondence between the parties, and Ms W's evidence to us that this matter caused Mr W significant distress and inconvenience. I've highlighted some of this already, but this includes:*

- Unacceptable delays before Haven declared the van BER.*
- This was compounded by Haven telling Ms W the van would be repaired by 5 July.*
- Declaring the van BER when Mr W's garage was able to repair it for less than half S's estimate.*
- Haven was aware that its decision to declare Mr W's van a total loss would leave him in financial difficulty (internal notes, 2 and 3 July). I don't think it took sufficient account of this when it dealt with his claim.*
- Haven's settlement offer wouldn't have paid off the outstanding finance on Mr W's van. This undoubtedly caused him considerable anxiety.*
- Withdrawing the courtesy vehicle while discussions about the claim were ongoing.*
- Ms W told us that S had left the van partly stripped and exposed to the elements. Her evidence has been consistent throughout and supported by other evidence, so I have no reason to doubt her description of the van when Mr W collected it. I understand why he'd have been distressed by this.*
- Mr W had to borrow the money to cover repair costs when this should have been covered by his insurance.*
- Mr W was without his work van until 9 August. At least a month of this was due to Haven's poor handling of his claim.*
- While I'm satisfied that the courtesy vehicle Haven provided was in line with the relevant policy term ("we will supply a PV2 vehicle such as a Vauxhall Vivaro SWB"),*

*it was considerably smaller than Mr W's van. I accept that this would have impacted Mr W's work.*

- *Poor communication. Haven's records and Ms W's emails show that it failed to answer phone calls promptly or respond to requests for updates.*

*I agree with our investigator that Haven should compensate Mr W for this.*

*I've considered the level of award given by this service in similar circumstances. Having done so, I think Haven should pay Mr W £750 to reflect the distress and inconvenience it caused Mr W by its handling of his claim."*

## **Responses to my provisional decision**

Both parties accepted my provisional decision.

Haven had no further comments. Ms W confirmed that the total cost of repairs was £5,252.08 and the hire car cost £661.24.

## **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.

As both parties accepted my provisional decision and had no more comments they wanted me to consider, I uphold the complaint for the same reasons set out in my provisional decision.

## **My final decision**

My final decision is that I uphold the complaint and order Haven Insurance Company Limited to:

- Refund Mr W the cost of repairing his van.
- Refund the cost of Mr W's hire vehicle.
- Pay interest on the above sums at 8% simple per year from the date Mr W made payment to the date of settlement.
- Pay Mr W £750 to reflect the distress and inconvenience it caused him by its poor handling of his claim.

If Haven considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr W how much it's taken off. It should also give Mr W a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 March 2025.

Simon Begley  
**Ombudsman**