

The complaint

Ms E is unhappy with the service she received from Haven Insurance Company Limited (Haven) after she made a claim on her car insurance policy.

What happened

Ms E held car insurance through Haven. In February 2024, Ms E's car was involved in two separate motor incidents causing damage to her car. She initially made a claim through an Accident Management Company (AMC) who collected Ms E's car for an inspection. But it wasn't able to locate one of the third parties involved and said it couldn't progress things on her behalf.

Towards the end of February 2024, Ms E contacted Haven to report the incidents and to log a claim. But it said she needed to speak with the AMC first to end its involvement and for it to return the car back to her.

In April 2024, Haven accepted Ms E's claim and it arranged to repair the car. But it noticed Ms E's car had been wrapped in blue vinyl, which it said was a modification. So, it referred to an endorsement on the policy that said "*Modifications Costs of any modifications from the manufactures original model are excluded in the event of Accident/ Total loss.*" So, when Haven repaired the car, it returned the damage parts back to their original specification.

Ms E complained to Haven. She said Haven had made the car worse and she could no longer get it insured elsewhere. She said Haven assured her it would arrange for the car to be wrapped and repaired to its pre-loss state. It hadn't, so she refused to collect the car. Ms E also complained that Haven had charged her for the storage costs from the time the AMC ended its involvement in the claim until the point Haven accepted it.

Haven considered Ms E's complaint. And it issued two final responses: one in June, another in October 2024. It apologised for any confusion it had caused when it informed her that it could possibly cover the wrap but maintained its position that any modifications aren't covered under the policy. It said it acted in line with the policy terms in repairing the damage parts of the car back to their original specification. But it did offer £300 as a gesture of goodwill to put towards the costs of wrapping the parts of the car that were repaired during the claim.

Haven also acknowledged Ms E was without a courtesy car longer than she should have been, so it offered her £305.82 in compensation for the loss of use of her car. But it explained Ms E was liable for the storage costs before it became involved in the claim. Haven also said that because Ms E refused to collect the car after it was repaired, the storage costs have continued to increase, which it says she's responsible for. Ms E remained unhappy, so she asked this Service to consider the complaint.

Our Investigator upheld the complaint. She said Haven should have acted sooner and progressed the claim when Ms E first contacted it to report the incident. So, she recommended Haven cover the storage costs between 22 March until 30 April 2024. But our

Investigator said Haven had acted in line with the policy terms when it repaired Ms E's car so she made no further recommendation.

Haven accepted our Investigator's findings. Ms E disagreed. So, she asked for an Ombudsman's decision and the case has been passed to me to decide.

I issued a provisional decision on Ms E's complaint. This is what I said about what I'd 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 reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

Repairs to Ms E's car

Ms E's policy provides cover in the event of an accident. But there's an endorsement on the policy that says, "Costs of any modifications from the manufacturer's original model are excluded in the event of Accident/Total loss." Haven says Ms E's car is wrapped in blue vinyl, which Ms E doesn't dispute. So, when it accepted the claim and repaired the damaged panels of Ms E's car it returned them to the manufacturer's original specification, which in this case was black.

It's not unusual or uncommon for insurers to refuse to cover repairs to any modifications that are made to a car beyond the manufacturer's specifications. So, in principle, I don't think Haven's actions to exclude cover to repair the damaged parts of the wrap are unreasonable.

However, in this case Haven proceeded to repair parts of Ms E's car back to their factory specification and in doing so left the car in a mis-matched colour. And I don't think that's reasonable or something I'd expect to see. Instead, I would have expected Haven to have discussed the repairs and the limitations of cover with Ms E before undergoing any repair work. And offered her a series of options on how best to proceed. For example, I don't think it would have been unreasonable for Haven to have offered a cash-in-lieu settlement for Ms E to repair the car herself or allow her to pay extra for the car to be re-wrapped. These conversations didn't happen, and instead Ms E was led to believe the car would be wrapped as part of the repairs. But that didn't happen, and the car was returned to Ms E in two different colours.

Ms E has explained the car is now in a worse position than it was in prior to Haven repairing it and she's unable to arrange cover elsewhere. I don't think Haven's actions in the way it repaired the car are fair. And I think they've likely left Ms E in a financially difficult position to repair the car herself. So, in the circumstances, I'm minded to direct Haven to do one of two things:

- 1. Arrange (and pay for) the removal of the wrap and for the car to be sprayed one colour; or*
- 2. Arrange for the repaired parts to be wrapped in the same colour as the rest of the car.*

Ms E can confirm her preference from these two options. But as the policy is intended to cover repairs to the car to put it in the position it would've been in before the incident, I think it's reasonable that in the event of any disagreement, Haven can decide which it chooses to

do. And it can also deduct the £300 it offered Ms E from any settlement under this direction if the payment was already made to Ms E.

Storage costs

Haven says Ms E is liable for the storage costs of the car between 5 March 2024 when the AMC ended its involvement in the claim up until 12 April 2024, the date it accepted the claim. That's because it says it wasn't involved in how the car was stored before its involvement.

But I can see Ms E contacted Haven on 20 February 2024 letting it know of her wishes to progress the claim through her policy. And I can see she sent the additional information Haven requested to progress things. Ms E contacted Haven again in March 2024, but was informed by Haven it couldn't get involved without the AMC ending its involvement – but the AMC confirmed it closed the claim on 5 March 2024, before Ms E called in.

Things continued to stall until 12 April 2024, when Ms E contacted Haven again asking for an update. Our Investigator said Haven should have done more at the point Ms E first contacted it to start the claim on 22 March 2024, and it should cover the storage costs until then - which it agreed to do. However, as I can't see Haven took any action to progress the claim after Ms E first contacted it on 20 February 2024, I think Haven should cover the storage costs back to 5 March 2024, as I understand the AMC has agreed to cover the storage costs up to that date.

Ms E is also unhappy that's she's been pursued for the storage costs from the point she refused to collect the car. Haven has explained the car still hasn't been collected and the storage costs continue to increase.

Our Investigator said this wasn't an aspect of the complaint this Service could consider. She said Ms E hadn't raised these concerns to Haven directly and felt it was entitled to consider this complaint in the first instance. And if Ms E remained dissatisfied with its response, she could refer a new complaint to this Service. However, I disagree. Ms E's complaint to Haven related to its overall claims handling, including the storage costs it told her she needed to pay. And I think the storage costs Ms E is unhappy about are the direct result of the way Haven dealt with the claim, and therefore something I can consider as part of this decision.

Due to the way Haven repaired the car, and as I set out above, one in which I don't think was reasonable, Ms E didn't want it back. I also understand the battery was flat which made it difficult for Ms E to collect the car even if she agreed to do so. What's more, given the storage facility are refusing to allow Ms E to collect the car until she pays the outstanding storage fees, which she explained multiple times she can't afford to pay, she's in a particularly difficult position.

Towards the end of October 2024, Haven offered to fix the battery so Ms E could collect the car. I think that was a reasonable step to take to reduce the storage costs. But given Ms E's reluctance to collect the car was borne from the poor-quality repairs completed by Haven, I think it should have taken this step sooner to allow Ms E to collect the car, and ultimately reduce the storage costs. Therefore, I think Haven should cover the storage costs up to the point it offered to fix the battery, which seems to have happened around the end of October 2024. After that point, although I appreciate Ms E's frustration with the quality of the repairs, she was able to collect the car and mitigate the situation. So, I'm not minded to direct Haven to cover the storage fees after this date.

The provision of a courtesy car

Haven accepts Ms E is entitled to a courtesy car under her policy. And it acknowledges she was without one for longer than she should have been.

Our normal position where someone has lost the use of their car and no courtesy car has been provided when it should have been, is to look at the additional travel costs incurred by the policyholder during the relevant period. Although Ms E has explained the difficulty she encountered in not having access to alternative transport, she's not provided this Service with any details of the costs involved.

I note Haven has offered Ms E £305.82 in compensation for the loss of use. As this is without any evidence from Ms E to support a financial loss, it isn't something I would ordinarily require Haven to pay. If Ms E would like to accept the loss of use payment offered, she should liaise with Haven about this.

Haven did however provide Ms E with a courtesy car through a rental company between 10 and 12 June 2024. But Ms E chose to upgrade it and entered into a separate non-fault credit hire agreement with the rental company, which lasted up until 18 July 2024, when Ms E's car was to be returned to her.

But, due to her concerns with the quality of the repairs, she continued to use the hire car until 5 August 2024. The rental company have now charged her for the hire period between 18 July and 5 August 2024.

I consider Ms E was without her car due to the actions of Haven failing to complete adequate repairs to the car - or failing to put forward a series of options to Ms E before it completed the repairs. Had it done so, Ms E would have been put in an informed position on how she wished to proceed. And it seems more likely than not, the car would have been returned to her sooner and without the need for her to arrange credit hire.

Instead, Ms E refused to accept the return of her car. Given the inadequacy of the repair, her actions were reasonable. As such, I think Haven needs to cover the cost of hire between 18 July and 5 August 2024. In doing so, it can include the £305.82 that it has already offered Ms E. If Ms E has already paid these costs direct with the credit hire provider, Haven will need to pay Ms E directly (and deduct £305.82 if it already paid it to her). Haven will need to include simple interest of 8% from the date Ms E paid until the date of settlement.

Customer service

I'm aware Ms E is unhappy with the overall level of service she received from Haven. I haven't detailed everything here – but I've considered everything Ms E has said about the impact its actions had on her. I think the service Haven provided was left wanting, which I think caused undue trouble and upset to Ms E over a sustained period. And I think her not having access to a fully repaired car caused her additional frustration over and above what I'd expect to see during the normal claims process. Therefore, I think Haven should pay Ms E £250 in recognition for the trouble and upset it caused.

My provisional decision.

For the reasons I've set out above, subject to either party providing more information, I am minded to require Haven Insurance Company Limited to settle Ms E's complaint as follows:

- 1. Arrange (and pay for) the removal of the wrap and for the car to be sprayed one colour, or; Arrange (and pay for) the repaired parts to be wrapped in the same colour as the rest of the car. Haven can deduct the £300 it offered Ms E from any settlement it makes if that payment has already been made to Ms E.*

2. *Cover any storage costs up until 25 October 2024, as well as the storage fees between 5 March and 22 April 2024. If Ms E has paid these costs, Haven should reimburse Ms E directly, and pay simple interest of 8% from the date the payment was made until the date of settlement*.*
3. *Cover the cost of the credit hire agreement charges Ms E incurred between 18 July and 5 August 2024. If Ms E has paid these costs, Haven should reimburse Ms E directly, and pay simple interest of 8% from the date the payment was made until the date of settlement*. If Haven has already paid Ms E £305.82 in compensation for loss of use, it can deduct this from the settlement amount, and*
4. *Pay Ms E £250 in compensation for the trouble and upset caused.*

**If Haven Insurance Company Limited considers that it is required by HM Revenue & Customs to take off income tax from that interest, it should tell Ms E how much it has taken off. It should also give Ms E a certificate showing if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.*

Responses to my provisional decision

I invited both Ms E and Haven to respond to my provisional decision. Ms E provided a detailed response to my provisional decision. Although I've not commented on everything here, I have read her comments and for ease, I've summarised her response.

Ms E doesn't think it's fair that Haven is able to decide on how it repairs the car. And she says Haven didn't offer to repair the battery, which meant she wasn't able to collect it.

Ms E also said she was entitled to a courtesy car from the time she reported the claim to Haven in February 2024. And as she didn't receive one she says she incurred additional travel costs that Haven should cover.

Ms E said the £250 compensation I said I was minded to direct Haven to pay didn't fairly reflect the trouble and upset it had caused her. Instead, she said a fair amount should be between £700 - £1000 to recognise the impact its actions had on her.

Haven also disagreed with my provisional decision. In summary it said any damage to a car's modifications are excluded under the terms of the policy. So, it doesn't think it's fair for it to cover the costs to repair Ms E's car to its pre-loss state.

Following Ms E's comments to my provisional decision that Haven didn't offer to repair the car's battery like I said it did, I asked Haven to clarify whether this offer was put to her. It confirmed it was unable to locate any emails or calls in which it made the offer, and it seems this discussion to repair the battery to enable Ms E to collect the car was considered internally.

It did however explain it continued to correspond with Ms E throughout the claims process informing her to collect the car and the consequences of her not doing so. Haven says although Ms E was unhappy with the quality of repairs she could have mitigated her situation by collecting the car. And it feels it's unfair to cover the storage costs up until October 2024.

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'll comment on Ms E and Haven's responses to my provisional decision using the same sub-headings. I won't comment on anything that's agreed or hasn't been challenged – I'll focus on the points both parties have made.

Repairs to Ms E's car

Haven says the policy doesn't cover damage to modifications. So, it says its actions to repair the car the way it did are in line with the policy terms and conditions.

Whilst I appreciate its point of view on the matter and accept the policy excludes cover to modifications, Haven should have discussed this with Ms E directly before the repairs started and given her an opportunity to decide what to do. And, given the situation, the most reasonable option would have been to settle the claim on a cash-in-lieu basis. Had it done this, it's likely it wouldn't have cost Ms E as much as it will now to ensure the car is the same colour. So, I think Ms E has lost out as a result of Haven's handling of things. I consider the fair and reasonable thing to do here is for Haven to repair the car in line with my provisional decision.

Ms E seems to accept my findings that Haven should repair the car. But she says it shouldn't be given a choice as to which option it needs to take. Although Miss E has pointed out that if Haven was to spray the car back to the manufacturer's original specification, she'd likely need to disclose the change in colour to the DVLA, she hasn't confirmed her preference as to which repair option she'd like Haven to take. So, without knowing for certain as to how Ms E wants the car to be repaired, I maintain my position as set out in my provisional decision.

Storage costs

Ms E says she shouldn't be liable for any of the storage costs and that she was never informed by Haven that it would repair the battery in order for her to collect the car. And she's provided several emails she received from Haven around the beginning of September 2024 that show Haven said it wasn't liable to repair the battery.

Haven has also been unable to demonstrate it offered to repair the battery like its internal notes imply. So, I apologise for any confusion caused when I set out in my provisional decision that Haven had put forward an offer to repair the battery (and allow Ms E to collect the car).

Ms E's decision to refuse to collect the car was borne from the poor-quality repairs completed by Haven. And as I set out above, I think Haven should have taken steps sooner to repair the car allowing Ms E to collect it in its pre-loss state. It didn't and the storage costs continued to increase. And I think Haven should have taken this step sooner to repair the car to its pre-loss state or repair the battery enabling Ms E to collect it (to limit the storage costs) whilst continuing to dispute the repairs.

I can also see Haven contacted Miss E numerous times asking her to collect the car and the consequences of not doing so. Whilst I appreciate her frustration with the quality of the repairs and the mis-match in colour, Haven did complete some repairs to the car which I think enabled Miss E to collect it. And I think she could have mitigated the situation while continuing to dispute things. So, in the circumstances of this dispute, I maintain my position that Haven should cover the storage fees up until the end of October 2024. And I'm not directing Haven to cover the storage fees after this date.

The provision of a courtesy car

As I set out in my provisional decision, Miss E was entitled to a courtesy car. And Haven accepts Ms E wasn't offered one as quickly as she should have been. Ms E says she incurred additional travel costs between February and June 2024 as a result of not having access to a car.

But my provisional decision sets out why I don't think Haven needs to pay more than it offered as Ms E hasn't shown evidence of any expenses as a result of not having access to a car. So, while I note Ms E's comments, I don't think Haven needs to pay more than what I set out in my provisional decision.

But if Ms E wants to provide any invoices or receipts of any travel costs she incurred from when I think the claim should have been logged (around the end of February 2024) until Ms E was given a courtesy car on 10 June 2024 she should pass these to Haven for consideration. And I'd expect Haven to reimburse Ms E any reasonable travel costs she incurred as a result of not having access to a courtesy car during this period.

Customer service

Ms E says the level of compensation I said I was minded to direct Haven to pay doesn't fairly reflect the trouble and upset she endured as a result of Haven's actions. And she provided some insight as to why she thinks this. I won't detail everything here, but I've considered everything she's told us about how Haven's actions impacted her.

As I previously explained, I have sympathy for Ms E's complaint, and the overall service she received from Haven. And I think the delays in progressing the claim along with the poor-quality repairs would have caused undue trouble and upset over and above what I'd expect to see during a normal claims process. Whilst I appreciate Ms E's feelings towards the level of compensation I said I was minded to direct Haven to pay, I'm satisfied it fairly reflects the trouble and upset caused and is in line with the types of awards I'd make in similar circumstances. Therefore, I maintain my position that Haven should pay Ms E £250 in recognition for the trouble and upset it caused.

My final decision

For the reasons outlined above, I direct Haven Insurance Company Limited to settle Ms E's complaint as follows:

1. Arrange (and pay for) the removal of the wrap and for the car to be sprayed one colour, or; Arrange (and pay for) the repaired parts to be wrapped in the same colour as the rest of the car. Haven can deduct the £300 it offered Ms E from any settlement it makes if that payment has already been made to Ms E.
2. Cover any storage costs up until 25 October 2024, as well as the storage fees between 5 March and 22 April 2024. If Ms E has paid these costs, Haven should reimburse Ms E directly, and pay simple interest of 8% from the date the payment was made until the date of settlement*.
3. Cover the cost of the credit hire agreement charges Ms E incurred between 18 July and 5 August 2024. If Ms E has paid these costs, Haven should reimburse Ms E directly, and pay simple interest of 8% from the date the payment was made until the date of settlement*. If Haven has already paid Ms E £305.82 in compensation for loss of use, it can deduct this from the settlement amount, and
4. Pay Ms E £250 in compensation for the trouble and upset caused.

*If Haven Insurance Company Limited considers that it is required by HM Revenue & Customs to take off income tax from that interest, it should tell Ms E how much it has taken off. It should also give Ms E a certificate showing if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 23 May 2025.

Adam Travers
Ombudsman