

The complaint

Mr B has complained about Haven Insurance Company Limited's decision to reject a claim he made under his car insurance policy. Mr B is also unhappy with the service he received from Haven, that it failed to manage his expectations and with the condition his car was returned to him. Mr B says the poor condition of his car is due to actions taken by the approved repairer (AR) and/or the independent assessor (IA).

What happened

Mr B's policy with Haven provides cover for third party, Fire and Theft (TPFT). So he doesn't hold a comprehensive insurance policy with Haven.

In September 2024 Mr B said his car had suffered water damage due to driving through flooded water. A few days later he says his car caught fire. He made a claim to Haven for fire damage to his car.

Haven says it incorrectly proceeded to deal with Mr B's claim when it shouldn't have. Haven says because Mr B's car had suffered flood damage, it should have properly managed his expectations when he first called. As Mr B held TPFT cover, his policy didn't provide cover for flood damage. However, Haven arranged for Mr B's car to be recovered, held in storage and inspected by an AR, and then an IA.

In any event, Haven said based on the reports provided, there was no evidence of fire damage to Mr B's car. Haven said it therefore wouldn't deal with Mr B's claim and asked him to make arrangements to collect his car.

Haven said if Mr B's policy had been a comprehensive policy, it would have met his claim for flood damage and paid a total loss settlement to him. It says because of the extent of the flood damage – demonstrated by photos Mr B provided of water ingress in his car – it wouldn't be sanitary or safe due to the risk of faeces and bacteria following contamination from flood water.

Haven accepted that a call handler had advised Mr B to expect details of how to claim for a total loss settlement. Haven apologised to Mr B for failing to manage his expectations. It told us it incurred recovery and storage costs, as well as hire car costs for Mr B when it initially proceeded with his claim. It says it will absorb these costs due to its poor handling of the claim. But Haven said its decision to reject the claim was correct, due to being covered for TPFT only.

One of our Investigators didn't recommend Haven meet Mr B's claim. She found the photos provided by Mr B showed his car had suffered significant water ingress days before Mr B says his car caught fire. From the inspection reports and accompanying images, she found no evidence of fire damage.

For the distress and inconvenience caused by its failure to manage Mr B's expectations, she recommended Haven pay Mr B £500 compensation.

Haven didn't comment on the Investigator's recommendations. Mr B disagreed. In summary he says the level of flood water didn't impact on the cause of the fire and he had dried the car completely before the fire occurred. He says no water entered in the car to affect the electrics or the engine to cause mechanical failure or the fire.

Mr B has provided photos of the interior of his car before it went to the AR and on collection. The later photos show significant mould damage to the interior of the car.

Mr B says either the AR or the IA told him in a phone call that it had opened the windows to his car while in their care. He says this caused the water damage to his car which resulted in mould.

Mr B says he wants Haven to repair the mould damage to his car. So the case 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.

The key issues for me to consider are:

Did Mr B have a valid claim.

Did Haven properly investigate his claim and manage his expectations.

Did Haven's AR or IA cause mould damage to Mr B's car.

In response to the Investigator's view, Mr B says the main issue for him is the condition Haven returned his car to him and he wants it to repair the mould damage.

As explained, Mr B's policy provides cover for third party, fire and theft. This means it doesn't provide cover for damage caused by flood, or mechanical failure.

In order for Mr B to have a valid claim, the onus is on him to provide reasonable evidence to support it.

Photos taken by both the AR and IA do not evidence fire damage to Mr B's car. And both report no evidence from their inspections of the car that indicate there was a fire.

I haven't seen any evidence to contradict the reports provided by Haven. So I don't think Mr B has shown he had a valid fire claim under the policy.

Although Mr B says the flood damage wasn't severe, photos provided by him just over a week after he made his claim show significant water ingress to his car.

I agree with him that the first inspection report from the AR says there were no signs of water ingress, and that the floor mats were "dirty, but dry". However, the inspection took place a month after the flood, by which time residue flood water would have absorbed into the fabric of the car.

The IA reported in January 2025 the following:

"No evidence of any fire damage, no melted trims under bonnet or scorch marks etc.

"Lots of damage from flood/ water ingress, all interior covered in mould."

Mr B says the cause of mould isn't due to the flood water. He says he spoke to either the AR or IA who said they had opened the windows of his car to air it while in their care. He says water must have ingressed into the car this way and caused the mould damage.

We asked Haven if it could provide call recordings with Mr B in relation to these discussions, but Haven says it wouldn't be able to locate calls between Mr B and the AR or IA.

I've also taken into consideration under both inspection reports that they noted the battery wasn't live. And so it wasn't possible to start the car. I think this makes it unlikely that either the AR or IA was able to operate the electric windows to Mr B's car while in their care.

So, based on the evidence available, I'm not persuaded that any actions taken by the AR or IA contributed to the mould damage to Mr B's car.

Mr B wasn't able to provide evidence to show fire damage to his car to support his claim. And having reviewed both inspection reports by the AR and IA, they confirm no evidence of fire damage. Photos of the car and engine support their findings.

So I don't think Haven's decision to reject Mr B's claim was unreasonable. I think it properly investigated before reaching its decision.

I think Haven failed to properly manage Mr B's expectations from an early stage when he contacted it to report damage to his car. Haven has since explained that it proceeded to deal with Mr B's claim under the assumption that he had comprehensive cover, which was incorrect.

It's clear that Haven should and could have given Mr B a decision on his claim much sooner. Having said that, the fact is there is no evidence to show the damage caused by the flood isn't the cause of the mould damage to Mr B's car. When a car has incurred water ingress by flood as it shows in the photos provided by Mr B, the consequences are inevitable in relation to the impact of such water ingress. So I don't think Haven's handling of the claim doesn't change the outcome here.

For the distress and inconvenience caused by Haven's failure to manage Mr B's expectations during the claims journey from October 2024 to January 2025, I think the Investigator's recommended award of £500 is within the range of reasonable. I think Haven should have notified Mr B of its decision based on the level of cover and the information he provided in the initial call much sooner than it did.

My final decision

For the reasons I've given above, my final decision is that I uphold this complaint in part. I require Haven Insurance Company Limited to pay Mr B £500 compensation for the distress and inconvenience caused by its failure to manage Mr B's expectations when he made his claim.

Haven Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it Mr B accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

If Haven Insurance Company Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate 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 B to accept or reject my decision before 18 July 2025.

Geraldine Newbold
Ombudsman