

The complaint

Mr A complains that Haven Insurance Company Limited (“Haven”) caused delays in its handling of a claim, and he disagrees with how Haven settled the claim.

What happened

In March 2024 Mr A’s vehicle was involved in a collision with a third party vehicle when the third party collided with his car from the rear passenger side. Mr A initially didn’t want to claim on his insurance policy with Haven. But ultimately a claim was made and Haven accepted it.

Haven decided to settle the claim on a 50/50 liability basis, even though Mr A believed the third party was at fault. The third party also disputed they were at fault.

In addition, Mr A became unhappy about the time it was taking Haven to deal with the claim. He said this resulted in a loss of earnings for him. As the policy was for his taxi, Mr A said he couldn’t work and even had to sell another car to help make ends meet.

Mr A made a complaint to Haven. It said in response that while its communication could’ve been better, it had no overall concerns about its handling of the claim. Haven authorised the work on Mr A’s car and he managed to resume business again. But Mr A still thought the 5 months Haven spent processing the claim was excessive. So he referred his complaint to this service.

Our Investigator considered the complaint, but didn’t think it should be upheld. He said he had considered the timeline of the claim up until the date of the final response letter of 16 August 2024 and didn’t think there were any avoidable delays, other than a short avoidable delay around August 2024. Based on the impact of this delay, our Investigator didn’t think compensation was due.

Mr A didn’t agree with our Investigator and asked for a decision to be made by an Ombudsman, so the complaint has now come 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.

As this is an informal service, I’m not going to respond here to every point raised or comment on every piece of evidence Mr A and Haven have provided. Instead, I’ve focused on those I consider to be key or central to the issues in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m not upholding this complaint. I’ll explain why.

The insurance industry regulator, the Financial Conduct Authority (FCA), has set out rules and guidance about how insurers should handle claims. These are contained in the ‘Insurance: Conduct of Business Sourcebook’ (ICOBS). ICOBS 8.1 says an insurer must

handle claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a claim. I've kept this in mind while considering this complaint together with what I consider to be fair and reasonable in all the circumstances.

I've checked Mr A's policy. This contains a term which allows Haven to handle the claim how it sees fit. This is referred to in the policy as the "Conduct of claims/subrogation" clause. It says Haven has full control over any claims covered by the policy. This isn't an unusual term, as it's a feature of most, if not all, motor insurance policies.

But this clause doesn't entitle Haven to do anything it wants. I'd expect the decisions it made about the claim to have been supported by facts and evidence. Haven has shown that it wrote to the third party to let it know it considered, based on what Mr A had told it, that the third party was liable. It has also showed that the allegation it received from the third party involved in the accident was that Mr A had changed lanes into the third party's lane and it was the third party which was proceeding correctly. It says it tried to contact Mr A to discuss liability but couldn't get through to him by phone. I can see from the claim notes that it also left Mr A a voicemail and sent him a text message too.

The decision to settle the claim on a split liability basis was made due to the fact the third party held Mr A to be at fault, and there was insufficient evidence from both parties. As both parties believe the other to be at fault, and there isn't currently enough persuasive evidence to show which party is correct, I don't consider it unreasonable for Haven to have settled the claim on a split liability basis.

In terms of the delays, I can only consider the claim journey up until the date of the final response letter. Any further delays or issues after 16 August 2024 would need to be raised with Haven as a new complaint.

I can see from the timeline of the claim that Haven was dealing with the claim reasonably until August 2024, when there was a delay in progressing matters (in particular, in notifying Mr A that his new estimate had been authorised) and Mr A had to call Haven to ask for an update.

I've considered the impact of any short delays, and whilst I can appreciate it must've been frustrating for Mr A to not have a car and to be losing work, I don't consider Haven to be responsible for this. I don't think, from what I've seen, that Haven contributed to Mr A's lack of business. He couldn't work because his car had been in an accident and Haven was dealing with the claim. Mr A also contributed to some of the delays when he cancelled the repairs with Haven's repairer and decided to use his own instead. So I don't think Haven's actions impacted Mr A to the extent that compensation for distress and inconvenience would be warranted. I think it's sufficient in this case that Haven has acknowledged its communication error and apologised for it in its final response letter.

In light of the above, I don't think Haven needs to do any more in relation to this particular complaint. So whilst I'm sorry to disappoint Mr A, I'm not upholding his complaint. Mr A is free to raise further issues regarding delays or Haven's overall handling of his claim since 16 August 2024 if he wishes. Haven has confirmed that whilst loss of earnings isn't covered by Mr A's policy, if the third party accepts liability, he may be able to submit a claim for lost earnings at that stage.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 August 2025.

Ifrah Malik
Ombudsman