

The complaint

Mr A's complaint is about the handling of a claim under his commercial motor insurance with Haven Insurance Company Limited.

What happened

In the early hours in October 2023, Mr A had an accident while driving his taxi. Mr A's car went off the road, hit a tree and ended up broadside on the road. Mr A does not recall anything about how the accident happened. While passersby were trying to assist Mr A, a lorry also collided with his car. Mr A was lucky to have survived and suffered life-changing injuries.

The police investigation into the accident concluded that there was no evidence of any third-party involvement in the first collision. The police concluded it was likely Mr A had hit a central bollard, causing him to lose control of his car. The police also said the lorry driver had been blinded by the car lights of Mr A's car, and those that had stopped to help him, and although they had tried to stop were unable to stop in time before colliding with Mr A's car. The police did not think there was any criminal charges against the lorry driver were appropriate.

Mr A disputes the police's findings and says his car had damage at the rear as well as the front, which indicates another car hit him from behind and he thinks this is why he left the road. Mr A also says the dashcam footage from the lorry shows the bollard was not damaged.

Haven dealt with the claim for Mr A's car. Due to the extent of the damage, Haven said the car had to be crushed. Haven therefore made an offer for the pre-accident market value of the car, which it said was £7,160, less £500 excess and the outstanding premium for the year of £1,064.09.

Haven also said it had recorded the claim as an 'at-fault' claim, which means that Mr A's no claims discount has been impacted and he has been unable to claim for his injuries from any other party.

Mr A is very unhappy with Haven's handling of the claim and complained. He has made a number of points in his complaint. I have considered everything he has said and have summarised his main points below:

- He bought the car six weeks before the accident for £11,000. Haven's offer of £7,160 is not enough.
- Haven disposed of his car without his knowledge or consent, and before any settlement had been offered. The car belonged to him and it should not have done so.
- Haven should have examined the car for any faults that might have caused the accident. As a result of Haven disposing of the car, this cannot now be done.
- He had personal possessions in the car when it was disposed of that have not been returned to him.

- Haven saw the dashcam footage of the lorry, which he says shows the central bollard he was supposed to have hit, intact and that the lorry had plenty of time to stop but didn't investigate the accident properly.
- The claim has been recorded as a fault claim against his policy but Haven failed to investigate properly and he doesn't accept it was his fault.
- The handling of the claim has impacted his health and he is suffering financially..

Haven does not agree it has done anything wrong. Haven says that the majority of the damage to Mr A's car was caused by the first collision with the tree. It says the dashcam footage from the lorry shows the extent of the damage already done and that the lorry caused little further damage, as it was at slow speed. The police report concluded no other party had been involved in the first collision, so it was correct to record the claim as a fault accident.

Haven also said that having been informed by the police the car was in storage, it made a reasonable decision to arrange for its collection, to avoid further storage charges. Haven says the car was a Category A total loss, which means it has to be crushed and no parts are salvageable to be reused. Haven says its actions were reasonable in the circumstances.

Mr A was unhappy with Haven's response to his complaint, so referred the matter to us.

One of our Investigators looked into the matter. He said that even if Mr A did not cause the accident, as Haven has not been able to recover any of its outlay from a third party, it is entitled to record the incident as a fault claim. However, he did not think that the settlement offer for the value of the car was enough.

The Investigator said Haven had taken the lowest of the range of prices produced by the car price guides and it had also deducted 20% from this because the car had previously been written-off. The Investigator did not think this was fair. The Investigator recommended that Haven pay the highest of the range, *i.e.* £11,270 for the car (less the excess and premium) together with interest at our usual rate. This means an additional payment to Mr A of £4,110. He also recommended that Haven should pay Mr A £400 compensation.

Haven has confirmed it accepts the Investigator's assessment.

Mr A has not disagreed with the valuation the Investigator said should be paid for his car but does not accept the Investigator's assessment about the other issues. He also stressed the impact on his health of the handling of the claim, which he says is over and above that caused by the accident, and he wants compensation for this.

Mr A has also provided a report received from the Office of the Police and Crime Commissioner ("OPCC") about the investigation into his accident.

As the Investigator was unable to resolve the complaint, it has been passed to me.

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.

This was an extremely serious accident, and Mr A suffered serious injuries. I have considered the matter very carefully, to determine if Haven has acted fairly and reasonably and in line with the policy terms. Having done so, I agree with the Investigator's assessment. I will explain why.

Liability

My role is not to establish how the accident happened and who is liable. My remit is to consider whether Haven handled the claim fairly and reasonably and in line with Mr A's policy terms.

Mr A's policy provides cover for damage to his own car and cover to pursue any losses he incurs (including for personal injury) as a result of an accident that is not his fault (among other things).

The policy provides Haven with the right to determine how a claim should be settled:

"Where We consider it appropriate, we may admit liability on your behalf or on behalf of anybody else insured by this policy. We have full control of all claims covered by this policy."

We do not consider this inherently unreasonable or unfair and similar terms are common to all motor insurance policies. This means that Haven had the right to settle the claim in the way it thought was reasonable and it did not need Mr A's agreement or consent.

However, whilst Haven has wide discretion on this, we do expect insurers to exercise this discretion reasonably. I have therefore considered everything carefully, to determine whether Haven has acted fairly and reasonably in recording this as a '*fault*' accident and not pursuing a claim on behalf of Mr A, against the driver of the lorry, or any other third-party driver.

The policy defines a "*non-fault accident*" as being "*Any accident or incident where We have decided that liability rests entirely with an identifiable third party with valid motor insurance cover at the time of the accident or incident.*"

Therefore, the recording of a claim as a '*fault*' claim doesn't necessarily mean that Haven has decided Mr A is to blame for the accident. Rather, it means Haven hasn't been able to identify a third party that is entirely liable for the accident. Again this how all motor insurers will deal with such matters and I do not consider this to be unreasonable or unfair.

Mr A does not remember the accident but strongly believes there must have been some outside cause: either a fault with the car or that he was hit by a third party, which resulted in loss of control of his car.

Mr A says that Haven should have had the car examined for faults and investigated the accident further. However, Haven has no obligation to do this. It is liable under the policy to indemnify Mr A for his losses and provide liability cover. While Haven can, and should sometimes, question what is presented to it, it has no obligation to carry out a forensic accident investigation.

Mr A has also asked that Haven prove he was at fault but it does not need to do this either.

Haven was informed of the accident and was provided with the police report, which concluded that Mr A lost control of his car and they thought this was likely because he had hit a bollard in the centre of the road. I do not think there was any reason for Haven to consider that the policy report was flawed and should not have been relied on.

The CCTV provided only shows Mr A's car after he had already lost control of it and does not show how this happened. The footage does not show any other party until around two or three minutes later when headlights and then appears to turn around and go the other way.

The car is not visible in the footage provided to me.

Mr A has complained to the police that no attempt was made to get other CCTV footage that might have identified that driver and to investigate tyre marks on grass verge further down the road. He thinks it is possible that this driver clipped the back of his car and that is why they did not stop to assist him, or call emergency services, or even go around him and continue their journey, but instead turned around and went back the other way.

All of this is possible. But on its own is not convincing evidence that another car collided with Mr A and caused the accident. And, as mentioned, it is not for Haven to carry out the investigation Mr A wants into this car, or any other aspect of the incident.

I think it was therefore reasonable for Haven to proceed with the claim on the basis that it was unlikely any other car was involved in the first collision.

I have also considered whether the additional evidence obtained should change this.

I have read the OPCC report very carefully. I note that the report concludes that there were shortcomings in the initial investigation and in the handling of Mr A's complaint about it. However, there is nothing in the report, as far as I can see that would mean that it is likely that an identifiable third party caused the first collision.

Mr A says the CCTV footage showed the rear of his car on fire before he hit the tree. It is not clear from the footage but there is certainly some bright light in the footage that could possibly be flames. As the car spins round, this light stops. The police report says there was no sign of fire on the car but Mr A says a photo he has obtained showed a scorch mark on the car. He says this also suggests he was hit from behind. The photo is not clear evidence of a fire. But in any event, even if this was what happened, I am not persuaded this means Haven should have done anything differently because there is still no third-party identified as being the cause of the accident.

Mr A has also raised that the lorry dashcam shows the bollard intact before the lorry collided with his car. However, I note in the report, it says the police later said that they think Mr A hit the kerb around the bollard, rather than the bollard itself, and this was supported by the fact there was a shard of wheel alloy found by the bollard that they say matched the front wheel of Mr A's car.

And Mr A also says the dashcam footage shows tyre marks in the grass verge around 100 meters before the point his car collided with the tree. He says these marks were fresh and could have been made by the car that clipped him.

It is possible Mr A did not clip the kerb of the bollard and it is possible a third party driver went onto the grass verge as a result of colliding with Mr A. However, the fact remains that Haven isn't responsible for investigating these possibilities; and there is no other identifiable third-party that can be held liable for the first collision.

I can only assess if it acted fairly and reasonably in handling the claim on the evidence it has. If, as a result of the further review of the police investigation, it is found that a third-party was entirely at fault and is identified then Mr A can provide that evidence to Haven and it will consider it and can change the recording of his claim. However, I cannot make any award or direction based on possibilities that have not yet been established.

Overall, therefore I think it was reasonable for Haven to have relied on the police report that there was no other car involved in the first collision.

As a result of the first collision, Mr A's car was severely damaged and he was seriously injured and unconscious. His car ended up broadside in the road. I have watched the dashcam footage from the lorry driver, which shows him approaching in the same lane as Mr A's car was in. It is apparent the lorry driver attempts to slow down but was unable to stop before colliding with Mr A's car. It is clear, from this footage and the CCTV footage from the building nearby, that the collision was low speed, as it shows Mr A's car being shunted forward only slightly. It also seems clear to me that Mr A's car had already been significantly damaged by the first collision, and the evidence is that Mr A was already injured and unconscious, when the lorry collided with his car.

While the lorry would have caused some damage to the side of Mr A's car, there is no reliable evidence that it would otherwise have been repairable and there is no reliable evidence that it caused any additional injury to Mr A.

Therefore, it seems to me that there would be no loss that Haven could reasonably pursue against the lorry driver, as there is no reliable evidence that they caused any loss to Mr A. In any case, even if they did, the lorry driver was not *entirely* liable for the damage to Mr A's car, so it would not change the recording of the accident as a fault one. Given this, I don't think it was unreasonable of Haven not to pursue the lorry driver's insurer for any damages, or to record the incident as a fault claim.

Having considered everything carefully, I think Haven has acted fairly or reasonably, and in line with the policy terms, in recording the accident the way it has.

Did Haven act reasonably in disposing of the car?

Mr A is also unhappy that Haven disposed of his car without his consent. He says this also means he hasn't been able to have the car inspected for faults.

As mentioned above, the policy provides that Haven can deal with a claim as it sees fit. However, until settlement is agreed for the car, the salvage belongs to Mr A. Haven should not therefore have disposed of the car until the claim had been settled. I have to therefore consider what impact this has had on Mr A, if any.

Haven says the car was so damaged, that it had to be crushed and no parts could be reused (i.e. a Category A write off). Category B would be where the car must be kept off the road but it can be broken up for spare parts.

However, there is no independent report to confirm the category of the car. I would usually expect an insurer to have this assessed by an engineer. Having said that, from the photos and video footage the damage to the car is extensive and I understand the Fire Brigade had to release him from the car. It therefore seems to me unlikely it was less than a Category A or B.

So, this means the car would either have been disposed of anyway, or stripped down for parts. Mr A has not suggested he wanted the salvage for parts, or that he would have been able to break it down for parts. I do not therefore consider it was unreasonable to dispose of the car in principle. I will consider, however, whether doing so without Mr A's knowledge caused him any detriment.

Mr A says he had possessions in the car that he could not retrieve. He has not, as far as I am aware, detailed what the possessions were. I note the car was recovered by the police and held in its storage facility for some time before Haven collected it. I would expect Haven to identify any possessions before arranging for disposal. But it is impossible to be certain if anything was still in the car at the time Haven took possession of it. I do not therefore consider I can make any award in relation to this.

Mr A is also concerned the car should have been properly examined for faults before being disposed of. As mentioned above, I do not consider that Haven had any obligation to carry out such an investigation. And there is no evidence, as far as I am aware, that would indicate the first collision was the result of a fault.

However, I recognise that Haven's disposal of the case caused Mr A upset, and he has been disappointed by the fact that an inspection cannot now take place. I will address this further below.

Is the amount offered by Haven for the car reasonable?

The policy requires Haven to compensate Mr A for the market value of their vehicle. The policy defines market value as, "*the cost of replacing your taxi with one of similar make, model and specification, taking into account the age, mileage and condition of your taxi*".

The Investigator has explained this service's approach to car valuations. We don't provide valuations for vehicles but look to whether the insurer's offer is reasonable. We expect an insurer to show their valuation is enough to enable their policyholder to purchase a like-for-like replacement vehicle.

In assessing whether a reasonable offer has been made, we obtain valuations from motor trade guides. These are used for valuing second hand vehicles. We find these guides to be persuasive because they are based on nationwide research and actual sales figures. The guides also take into account regional variations.

We don't usually find advertisements for vehicles as persuasive, as these are essentially asking prices. They are what the seller would like to achieve, rather than the final price the car actually sells for. But we will consider and take into account all relevant evidence.

If the valuation guides are in agreement with each other and the insurer has valued the vehicle in line with them, we're likely to say it's fair. However, where the guides produce a wide range of values we'll look to see where an insurer's value sits within that range. If the insurer's valuation isn't close to the highest, we'll look to see if it's supported by other evidence. But what's considered fair will depend on the individual circumstances of the case.

Haven obtained four valuations, ranging from £9,940 to £11,270. Mr A has provided two adverts for the same make and model car for sale for more than £11,270 but the mileage was a lot less than his car had done; and, as mentioned, these are asking prices rather than confirmation of an actual sale price. I do not therefore find these adverts persuasive.

Haven based its offer to Mr A on the two lower values given by the guides (£9,940 from Glass's and £10,395 from CAP). It applied a deduction to these values but has not been able to explain what this was for. It then averaged the two values and applied a further 20% deduction on the basis of Mr A's car being written off previously. This resulted in the offer of £7,160.

A previous accident could impact the sale price of a used car, so the Investigator asked Haven if it had any evidence to support the 20% deduction. Haven told the Investigator that it had not done any research and did not have any evidence that the value of Mr A's car would have been 20% less because of the previous accident. I therefore agree with the Investigator that it is not fair to apply these deductions.

I also agree with the Investigator that as Haven hasn't provided any other evidence to show me that Mr A could replace the car with a valuation in line with the lower guide amounts, that it would be fair and reasonable in the circumstances of this complaint for Haven to use the higher valuation, of £11,270, for Mr A's car. I am pleased to note that Haven has agreed to this. I understand that Haven has already paid £7,160 (less the excess and premiums) so it only has to pay the difference of £4,110 but interest should be added to this amount to recognise the fact it should have paid this sooner. I consider interest should be applied from the date Haven first made its offer of £7,160 to the date of payment.

Compensation

Mr A has said that his health has become worse as a result of how this claim has been dealt with and it has caused him anxiety, depression and distress.

I consider that Haven could have handled parts of the claim better than it did, as set out above. However, I do not consider that all of the issues raised by Mr A are due to anything done wrong by Haven. The medical evidence does not establish that his conditions caused primarily due to not offering enough for his car.

As identified above, I think Haven did not offer a reasonable amount for Mr A's car. I also consider it could have handled the claim better and it should not have disposed of the salvage of Mr A's car without his agreement. I agree that some compensation, in addition to a reasonable settlement of his claim, is warranted for this.

Haven made an unreasonably low offer for the car and it also disposed of Mr A's car before it was legally entitled to do so. While I have no evidence to determine this has changed the outcome of the claim for Mr A, I can see this has caused him distress, as it cannot now be examined.

Having considered everything carefully, I agree the £400 compensation recommended by the Investigator is reasonable.

My final decision

I uphold this complaint and require Haven Insurance Company Limited to do the following:

1. settle Mr A's claim based on a valuation of £11,270 for his car (less the outstanding premium and excess). If Haven has already made a payment towards this settlement, it only now needs to pay the difference. (I believe this difference will be £4,110.)
2. Add interest at 8% simple per annum to the amount to be paid to Mr A, from the date of the original offer to the date of payment.
3. Pay £400 in recognition of distress and inconvenience caused by its handling of the claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 December 2025.

Harriet McCarthy

Ombudsman