DRN-5784848

## The complaint

Mr O complains that Haven Insurance Company Limited mishandled his claim on a motor insurance policy.

## What happened

The subject matter of the insurance, the claim and the complaint is a hybrid electric car made by a premium-brand car-maker and first registered in January 2020.

Later in 2020, an insurer wrote off the vehicle as a total loss in salvage category S (structural damage). Someone repaired it and sold it in 2021.

On about 1 July 2022, Mr O acquired the vehicle at a price of about £30,000.00.

For the year from late July 2023, Mr O had the vehicle insured on a comprehensive policy with Haven.

According to its MOT history, the vehicle passed a test on 16 December 2023 with a recorded milage of about 20,600.

Unfortunately, on 13 January 2024, a third party accidentally damaged the vehicle.

At first, Mr O dealt through an accident management company ("AMC") with the third party's insurer.

By late January 2024, the vehicle was at a main dealer franchised by the car-maker.

The third party's insurer said the vehicle was a total loss.

By about 19 February 2024, Mr O had asked Haven to deal with his claim.

By an email dated 14 March 2024, Haven said that it couldn't collect the vehicle or look to pay a total loss claim as there were charges outstanding from the main dealer.

By May 2024, Mr O had complained to Haven ("the May 2024 complaint") about the handling of his claim.

By a final response dated 8 May 2024, Haven turned down the May 2024 complaint. Haven included the following:

> "… *the vehicle has since been confirmed to be a total loss and we have received confirmation from the Third-Party Insurer that the claim was settled on the 4th of March 2024….*
> *I must make you aware as the settlement has been paid, we are unable to increase the vehicle value above the amount offered by the Third-Party Insurer. We are unable to comment on the handling of the claim on behalf of another insurer….*

> *I have reviewed the storage aspect of your complaint, and as you took the vehicle to a non-approved repairer weeks prior to notifying us that you wanted to use them, I do not agree that we are liable for these charges. You were notified that the vehicle was a total loss by the Third-Party Insurer prior to requesting for us to repair the vehicle*."

Mr O brought the May 2024 complaint to us.

Our (first) investigator didn't recommend in late August 2024 that the May 2024 complaint should be upheld. She thought that:

> "*Mr* [O] *had already confirmed on 15 February that he'd received settlement from through the AMC but hadn't cashed the cheque. I haven't seen any proof that Mr* [O] *has returned the cheque to the AMC. I don't think it's fair for Haven to proceed with a claim, when settlement has already been made by the third party and hasn't been returned and when there are outstanding costs…*
> *I also don't think that Haven has done anything wrong by not progressing the claim at this point. I'm satisfied that the claim had been handled by the third party and due to outstanding costs and settlement it wouldn't be appropriate for Haven to progress a claim.*
> *I don't think that the storage costs are the responsibility of Haven because they arose before the claim was initiated with Haven*"

Mr O forwarded an email dated 4 September 2024 from the AMC saying that:

> "*We confirm no PAV payment was paid to the client by third party insurers*"

By an email dated 6 September 2024, Haven told Mr O that it wouldn't be providing a courtesy car.

By an email dated 23 September 2024, our first investigator asked Mr O's representative the following:

> "*Please let me know by 30 September 2024 if Mr* [O] *would like an ombudsman to consider his complaint, up until 8 May 2024*."

The representative did not reply. Our first investigator closed the file.

By an email dated 7 November 2024, Haven said that the pre-accident value of the vehicle had been £26,250.00, less 20% (£5,250.00) for the previous write-off, so £21,000.00.

By an email dated 22 November 2024, Haven said that as the damaged vehicle was in salvage category N (non-structural) the salvage fee would be 25% that is £5,250.00.

By an email dated 6 December 2024, Haven said that the damaged vehicle should've been in category S (structural damage).

By an email dated 17 December 2024, Mr O's representative said the following:

> "*We have already paid over £3,500 in storage charges, which is quite concerning. At your request, we arranged for the vehicle to be moved, yet there has been no progress since then*."

By an email dated 18 December 2024, Haven said that it was not willing to offer retention on a category S total loss.

By an email dated about 18 December 2024, Mr O, through his representative, complained to Haven ("this complaint") including that it was mishandling and obstructing his claim. He included the following:

> "*I have reasons to believe that Mr.* [O] *is being treated less favourable due to his race…*
> *I also have no confidence in their Pre-Accident Valuation…*
> *I have emailed you on October 8, 2024, at 12:49 PM and informed you that the vehicle had been moved to safe storage*"

By a final response dated about 24 December 2024, Haven turned down this complaint.

Mr O brought this complaint to us in late December 2024.

*our investigator's opinions on this complaint*

Our second investigator recommended in early June 2025 that this complaint should be upheld in part. She didn't think that Haven was responsible for the storage charges. She thought that it was fair to apply a 20% reduction in value for the previous write-off, so Haven should pay £21,192 for the vehicle (before the deduction of any excess). She recommended that Haven should:

> "*• Pay £21,192 for the valuation of the vehicle,*
> *• If Haven haven't previously offered this to Mr* [O], *they should award 8% simple interest on the figure.*
> *• Give Mr* [O] *the option to retain the vehicle (or award £500 compensation if they've already sold it)*
> *• Award £300 compensation for the inconvenience caused*."

Mr O and Haven each provided further information. Our second investigator changed her view about storage charges and about the amount of compensation for inconvenience.

Our second investigator still recommended in early July 2025 that the complaint should be upheld. She thought that Haven should pay for any storage charges, starting from the date of the claim until they recovered / will recover the vehicle. She thought that Mr O had been without the vehicle (since Haven's involvement) for well over a year and said he still hadn't received a payment. She understood this has been a really difficult time for him. She recommended that Haven should:

> "*• Pay £21,192 for the valuation of the vehicle.*
> *• If Haven haven't previously offered this to Mr* [O], *they should award 8% simple interest on this figure from when they first wrote the car off until the award is paid.*
> *• Give Mr* [O] *the option to retain the vehicle (or award £500 compensation if they've already sold it)*
> *• Award £500 compensation for the inconvenience caused.*
> *• Pay the storage costs*."

Haven disagreed with the investigator's second opinion. It asked for an ombudsman to review this complaint.

*my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr O and to Haven on 8 August 2025. I summarise my findings:

I would not review any complaint about mishandling, delay or storage charges for any period before 8 May 2024.

I was minded to find it fair and reasonable to direct Haven to adopt a market value of £21,192.00.

I didn't think there was a possibility that Haven had sold the vehicle.

I was not minded to find it fair and reasonable to direct Haven to "*pay £21,192.00*" and (in addition) to "*Give Mr* [O] *the option to retain the vehicle*".

I was minded to find it fair and reasonable to direct Haven to pay Mr O £21,192.00 less the salvage amount that it would've received from its salvage agent.

As I took the view that Haven should've made an interim payment by about 7 November 2024, I was minded to find it fair and reasonable to direct Haven to pay interest from that date at our usual rate.

I was not minded to find it fair and reasonable to direct Haven to pay any storage costs. My reasons were as follows:

- The third party insurer, Haven and Mr O all agree that the vehicle is a write-off. I would expect Haven to get its salvage agent to collect it and dispose of it. Mr O, rather than Haven, wanted to keep the damaged car.
- If he couldn't afford to repair it within a reasonable time, Mr O could've sold the damaged car.
- I was minded that it was Mr O's choice to move the vehicle to safe storage. Mr O hadn't provided enough detail or evidence of Haven asking or causing him to put the damaged vehicle into storage.
- Mr O hadn't provided enough detail or evidence of the dates of duration or the cost of storage.

I was minded that it was fair and reasonable to direct Haven to pay Mr O £500.00 for distress and inconvenience.

Subject to any further information either from Mr O or from Haven, my provisional decision was to uphold this complaint in part. I intended to direct Haven Insurance Company Limited to:

1. adopt a figure of £21,192.00 for the pre-accident valuation of the car; and
2. pay Mr O £21,192.00 less the salvage amount that it would've received from its salvage agent; and
3. pay Mr O simple interest on the amount that it pays Mr O under the immediately preceding paragraph 2 at the yearly rate of 8% from 7 November 2024 to the date of its payment. If Haven considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr O how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
4. pay Mr O £500.00 for distress and inconvenience.

Mr O disagreed with the provisional decision (see "*Response to the provisional decision*" below).

Haven hasn't responded to the provisional decision.

**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.

Scope of this decision

The Financial Conduct Authority's dispute resolution rules are binding on the Financial Ombudsman Service.

Mr O didn't ask for an ombudsman to review the first investigator's opinion on events up to 8 May 2024. So the rules don't allow me to review that opinion in this decision. That means that I will not review any complaint about mishandling, delay or storage charges for any period before 8 May 2024.

Pre-accident valuation

The policy required Haven to compensate for the vehicle's "*market value*" defined as follows:

> "*The cost of replacing Your Car with one of similar make, model and specification, taking into account the age, mileage and condition of Your Car. To determine the Market Value, We will typically request the advice of an engineer and refer to guides and any other relevant sources*"

We expect an insurer to assess a pre-accident market value fairly and by reference to retail figures in certain trade guides. That is also our starting point.

For Mr O's vehicle, I've seen figures as follows:

| | |
|---|---|
| CAP | £22,500.00 |
| Percayso | £23,037.00 |
| Autotrader | £23,461.00 |
| Glass's | £26,490.00 |

Neither Mr O nor Haven have provided any engineer's valuation, advertisements or other evidence of valuation.

Mr O says he didn't know (when he bought it) the vehicle had been written off. However, it was a high-value purchase, and he could've found out from an HPI check. So I consider that Mr O ought reasonably to have known when he bought it that the vehicle had been in category S.

I think it's fair to say that the previous write-off reduced the vehicle's pre-accident value.

In any event, the investigator recommended a pre-accident value of £21,192.00 and neither Mr O nor Haven has disagreed with that figure. So, I find it fair and reasonable to direct Haven to adopt a market value of £21,192.00.

From its file, I've seen that Haven waived the excess.

Retention/salvage

An engineer put the damaged vehicle in category N. Mr O and Haven now agree that it is in category S. However, I don't hold Haven responsible for the engineer who put it in category N.

I understand Haven's concern about allowing policyholders to retain damaged vehicles in category S. However, it is possible for suitable repairers to repair such vehicles. So I consider that Haven treated Mr O unfairly by its final response that it did not allow retention of vehicles in category S.

From what Mr O and Haven have each said, Haven hasn't settled his claim. So I find that the damaged vehicle remained his property and Haven had no right to sell it.

Unlike the investigator, I don't think there's a possibility that Haven has sold the vehicle. I say that because a recent DVLA vehicle check says that the most recent V5 registration document is dated 25 March 2023 (which pre-dates the accident). So I don't find it fair and reasonable to direct Haven to pay Mr O £500.00 compensation if it has already sold the vehicle.

If Haven were to pay Mr O the market value, the damaged vehicle would then become the property of Haven. And Haven would sell it through its salvage agent.

As Mr O wants to keep the damaged vehicle, we would expect Haven to charge him a salvage fee equivalent to what its salvage agent would've paid. So, unlike the investigator, I don't find it fair and reasonable to direct Haven to "*pay £21,192.00*" and (in addition) to "*Give Mr* [O] *the option to retain the vehicle*".

Rather I find it fair and reasonable to direct Haven to pay Mr O £21,192.00 less the salvage amount that it would've received from its salvage agent. As I take the view that Haven should've made an interim payment by about 7 November 2024, I find it fair and reasonable to direct Haven to pay interest from that date at our usual rate.

Storage charges

I've said that I can't review any complaint about delay or storage charges for any period before 8 May 2024.

So, unlike the investigator, I don't find it fair and reasonable to direct Haven to "*pay the storage costs*".

I accept that the car was badly damaged and insecure. I also accept that it contained a battery that was both valuable and dangerous. So I accept that the car needed secure storage.

Neverthelss I don't find it fair and reasonable to direct Haven to pay any storage costs. My reasons are as follows:

- The third party insurer, Haven and Mr O all agree that the vehicle is a write-off. I would expect Haven to get its salvage agent to collect it and dispose of it. Mr O, rather than Haven, wanted to keep the damaged car.
- Mr O hasn't provided enough detail or evidence of Haven asking or causing him to put the damaged vehicle into storage.
- Mr O hasn't provided enough detail or evidence of the dates of duration or the

cost of storage.

Claims handling

From mid- February 2024, Haven became responsible for dealing with Mr O's claim promptly and fairly.

From its file, I'm far from satisfied that (after 8 May 2024) Haven dealt with the claim promptly or fairly. After the email dated 4 September 2024, Haven still hadn't made an interim payment to Mr O by December 2024.

Distress and inconvenience

I've thought about Haven's mishandling (after 8 May 2024) and its impact on Mr O.
Mr O has been without the use of the vehicle or the proceeds of his claim. I've found that Haven treated him unfairly and I accept that Mr O feels victimised.

Interest is a form of compensation for being kept out of money. Nevertheless, I consider that, in addition, it's fair and reasonable to direct Haven to pay Mr O £500.00 for distress and inconvenience.

Response to the provisional decision

Mr O's representative says that it is not correct that by late January 2024, the vehicle was at a main dealer which started dismantling.

However, Mr O's representative told us that the vehicle was taken to the main dealer in mid-January 2024. And I've seen an email dated 22 February 2024 that includes the following:

> "*I've spoken with* [main dealer] *who confirmed that the vehicle has accumulated charges of £2325. These charges include storage, stripping charges and repair charges. The vehicle has been deemed as a write off. The repairer have confirmed that they will only be able to release the vehicle once the total amount of £2325 is cleared.*"

Haven declined to pay those charges. As they pre-date 8 May 2024, I can't direct Haven to pay them (see "Scope of this decision" above.

Mr O's representative says that it is unfair to expect that Mr O pays for the storage costs.

The provisional decision gave Mr O a final opportunity to provide detail or evidence of Haven asking or causing him to put the damaged vehicle into storage. In response, the representative said that Haven agreed to Mr O's suggestion that the vehicle should go to his preferred repairer. He hasn't given any date for this.

On reflection, I withdraw my suggestion that if he couldn't afford to repair it within a reasonable time, Mr O could've sold the damaged car.

However, if Mr O hadn't wanted to keep the damaged car, then I don't think that he would've "*paid over £3,500 in storage charges"* to get the main dealer to release the vehicle or that he would've expressed a preference as to where the vehicle was taken.

He paid the charges and suggested that the vehicle should go to his preferred repairer. His representative told us that the vehicle had sentimental value to Mr O and his family. So I maintain that Mr O, rather than Haven, wanted to keep the damaged car.

Mr O's representative says that Haven took no steps to settle the claim.

However, I can't review any complaint about mishandling, delay or storage charges for any period before 8 May 2024 (see "Scope of this decision" above). And it was 4 September 2024 before Mr O provided Haven with evidence that the third party insurer hadn't settled his claim. So I consider that he contributed to that delay.

Moreover, the provisional decision gave Mr O a final opportunity to provide detail or evidence of the dates of duration or the cost of storage. Mr O's representative didn't take that opportunity. So Mr O has fallen well short of showing that it's fair for Haven to reimburse him (or to what extent the charges don't pre-date 8 May 2024).

Mr O's representative says that we should direct Haven to pay Mr O £21,192.00 plus interest from 19 February 2024 and to offer Mr O a fair salvage fee so he can decide whether to repurchase the vehicle.

However, the damaged vehicle is still at Mr O's preferred repairer. So I don't find it fair and reasonable to direct Haven to pay Mr O without deduction of a salvage amount.

Haven is likely to have a scale of salvage charges agreed with its salvage agent. Haven previously said that the salvage amount would be 25% of pre-accident value. That was for a vehicle in category N. I expect a salvage amount of an equal or lower percentage for category S.

As regards interest, I can't review any complaint about mishandling or delay for any period before 8 May 2024 (see "Scope of this decision" above). And I've found that Mr O contributed to the subsequent delay.

So, in the unusual circumstances of Mr O's claim, I've taken the view that Haven should've made an interim payment by about 7 November 2024. So I find it fair and reasonable to direct Haven to pay interest from that date at our usual rate.

**Putting things right**

Overall I find it fair and reasonable to direct Haven Insurance Company Limited to:

1. adopt a figure of £21,192.00 for the pre-accident valuation of the car; and
2. pay Mr O £21,192.00 less the salvage amount that it would've received from its salvage agent; and
3. pay Mr O simple interest on the amount that it pays Mr O under the immediately preceding paragraph 2 at the yearly rate of 8% from 7 November 2024 to the date of its payment. If Haven considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr O how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
4. pay Mr O £500.00 for distress and inconvenience.

**My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Haven Insurance Company Limited to:

1. adopt a figure of £21,192.00 for the pre-accident valuation of the car; and
2. pay Mr O £21,192.00 less the salvage amount that it would've received from its salvage agent; and
3. pay Mr O simple interest on the amount that it pays Mr O under the immediately preceding paragraph 2 at the yearly rate of 8% from 7 November 2024 to the date of its payment. If Haven considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr O how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
4. pay Mr O £500.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 26 September 2025.
Christopher Gilbert
**Ombudsman**