

## **The complaint**

Mr S complains Haven Insurance Company Limited (“Haven”) failed to settle his claim on his motor insurance policy fairly after his car was declared a total loss.

All references to Haven include its agents.

## **What happened**

Mr S took out a motor insurance policy in March 2024. In July 2024, his car was broken into and several parts of his car were stolen. So he made a claim on his insurance policy. A few days later, Haven says it informed Mr S his car had been declared a total loss as the parts which needed replacing weren’t easily available on the market. It categorised Mr S’s car as Category ‘N’. It’s since told us this was incorrect and it should’ve been category ‘U’.

Following an inspection of Mr S’s car, Haven offered him £10,555 as the pre-incident value of the car, taking account of the condition of the car. Mr S wanted to retain the salvage of his car. But he’s explained Haven went back and forth on whether he was entitled to retain it. He didn’t think Haven had a right to refuse him retaining the car under the terms of the policy so he raised a complaint about it. He thought Haven was attempting to make a profit off his car. And as part of its reply, Haven agreed to Mr S retaining the car but it deducted half of the claim settlement value for it.

Mr S initially agreed to the offer Haven had made and the claim was settled in September 2024. But later that month, he arranged for his own inspection of his car which said the pre-incident value was higher.

Mr S was unhappy as he felt he’d been misled. So he asked our Service to look into things. He also raised that he hadn’t been given a courtesy car as he was entitled to under the terms of the policy, while he was without a car. And he thought the customer service provided by Haven was poor. In particular, he said it had caused delays and hadn’t provided him with clear information.

Initially our Investigator didn’t think the valuation Haven had offered fairly reflected the market value of the car which Mr S was entitled to under the terms of the policy. So he recommended it increase it to £12,518 and it didn’t deduct anything for the condition of the car because it hadn’t evidenced why. He also thought Haven should pay Mr S £150 as compensation for the service it had provided and for not giving Mr S a courtesy car. And he didn’t think the amount it had deducted due to Mr S retaining the salvage was fair as it hadn’t evidenced it.

After Haven provided further information to support the cost of retaining the salvage, our Investigator said it was entitled to deduct that amount from the settlement. Mr S didn’t accept that part of the view so the complaint wasn’t settled at that stage and it was 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.

Based on everything I've seen, I've decided to uphold this complaint in part, broadly for the same reasons as our Investigator. I know Mr S will find this disappointing as he's not been shown how Haven has calculated the cost of him retaining the salvage. But I'm satisfied this is a fair outcome in this case. I'll explain why.

Our Investigator recommended Haven increase the amount it valued Mr S's car at to £12,518 and remove the deduction it had applied to reflect the condition of the car. Haven accepted the Investigator's view so I haven't considered that further here. I understand Mr S has given an engineer's report to show the car was undervalued. But we've not been given any of the details which were used by the engineer when determining this value. And I can't see they looked at a range of guides as we'd normally expect. Our Investigator has based the valuation on the highest of a range of values shown in trade guides. And I think that's fair in this case.

The remaining issue in dispute is whether Haven has fairly deducted around half of the value of the vehicle from the settlement in return for Mr S retaining the salvage. And I think it has.

When an insurer allows a customer to retain the salvage of their vehicle, it isn't unusual for it to deduct what it would've received when disposing of the salvage itself. And that's because generally, when an insurer pays out for a total loss, it will usually get to retain the damaged item if it's available. And I haven't seen anything in this case to make me think Haven wasn't entitled to do this.

Haven has sent us screenshots of data which shows what it would've received from its salvage scheme. I can see from this, the amount it would've likely received for the salvage of the car changed month to month. But I'm satisfied it shows around the date of the loss, it would've received around half of the market value of Mr S's car at salvage. Whilst I can't share this data with Mr S due to its commercially sensitive nature, I can assure him I've seen it and considered it thoroughly. So overall, I'm satisfied it's likely Haven would've received the amount it's deducted from the market value of Mr S's car and I think it's done so fairly.

Haven accepts it could've provided a better service to Mr S. So it's accepted our Investigator's opinion that it needs to pay compensation for this. Mr S has highlighted he was left without a courtesy car which he was entitled to under the terms of the policy. But I can see this would've been for a maximum of seven days, even if things had gone as they should've. So I think he may have always been in a position where he was without a car for some time. Having taken this, together with the length of time it took Haven to make its initial settlement offer – around two months – I think the compensation Haven has now agreed to pay is fair. So I direct it to pay £150 as compensation to Mr S if it hasn't done so already.

## **Putting things right**

To put things right in this case, I direct Haven to:

- Recalculate Mr S's claim settlement using the market value of £12,518. It shouldn't deduct any amount to reflect the condition of the car.
- Pay Mr S the difference between the settlement amount above and the amount it's already paid to settle the claim.

- Pay 8% simple interest on the above amount from the date the original valuation was paid to the date of settlement.\*
- Pay Mr S £150 as compensation to make up for the service it provided.

\*If Haven considers that it's required by HM Revenue & Customs to take off income tax from the interest, it should tell Mr S how much it's taken off and give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs.

### **My final decision**

For the reasons given, I uphold Mr S's complaint and direct Haven Insurance Company Limited to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 October 2025.

Nadya Neve  
**Ombudsman**