

The complaint

Mr A has complained about the way Haven Insurance Company Limited dealt with a claim under his car insurance policy.

What happened

In December 2024 Mr A's car was damaged in an incident with a third party vehicle. The third party insurer accepted liability and arranged car hire for Mr A.

Mr A contacted his insurer Haven, who arranged for his car to be assessed for repair. Mr A had made it clear that he wanted to retain his car. However, Haven failed to ensure this happened. After deciding it wasn't economical to repair, Haven's agent disposed of Mr A's car.

Haven apologised to Mr A and offered him a total loss settlement for his car, along with £100 compensation for the distress caused.

Mr A complained about the total loss settlement and Haven's decision to dispose of his car. He said his car held sentimental value. Mr A said Haven had caused delay in settling his claim and the compensation amount didn't reflect the distress caused.

Haven told us it acknowledged it had caused some delay in paying the total loss settlement. So it said it would pay a further £150 compensation, meaning a total compensation sum of £250.

One of our Investigators thought Haven's proposal to pay an additional £150 compensation was enough to resolve the complaint. He found that Haven had paid a fair total loss settlement, but that it should pay interest at our preferred rate on the settlement from one month from 28 February 2025, when Haven was in a position to settle the claim, to the date it paid.

Mr A disagrees and wants an ombudsman to decide. He remains very unhappy that Haven disposed of his car against his wishes.

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.

Haven paid a total loss settlement for Mr A's car. This is the most an insurer will pay in the event of a claim. In July 2025 our Investigator set out our approach when looking at valuation complaints.

The main motor trade guides provided valuations for a car of the same make, model, age, condition and mileage as Mr A's at the time of loss. The highest of these guides was £13,500. We find the guides to be a reliable way of reaching a valuation. But we also think it fair for an insurer to consider adverts for similar cars for sale where they show the guides to be lower.

Mr A provided adverts to Haven to show why he believed his car was worth more. Haven agreed to increase the total loss settlement to £14,000.

Some of the adverts Mr A provided are not comparable with his car, being a different specification, age or mileage. From all of the information available, I find Haven's total loss settlement of £14,000 to have been reached in a reasonable way and in line with the policy.

Mr A is understandably very upset about Haven's decision to dispose of his car, when he said he wanted to keep it. I've no doubt this was a shock for Mr A when he discovered his car would not be returned to him. He has explained that the car was of sentimental value to him.

When things go wrong, we look at what the impact was, and what an insurer did to put things right.

In this case, Haven paid a total loss settlement for Mr A's car and £100 compensation for the distress and inconvenience caused.

From its notes, had Haven dealt with Mr A's claim promptly, it was in a position to settle his claim by the end of February 2025. But it didn't pay a settlement until 9 May 2025. So I find the delay was avoidable during this period of time and Mr A should have received funds – even if he didn't agree with the amount – by the end of February 2025. As Haven explained to Mr A, receiving the settlement didn't prevent him from bringing a complaint.

As Mr A was without funds during this period of delay, I think Haven should pay interest on the settlement in line with our preferred rate.

Mr A says the loss cannot be measure in pounds and pence. I appreciate Mr A's strength of feeling. But I find that Haven's decision to increase the compensation overall to £250, along with the fair total loss settlement it paid to be a fair outcome. And in line with awards we give in similar circumstances. So I'm not asking Haven to do any more.

My final decision

My final decision is that I uphold this complaint. I require Haven Insurance Company Limited to do the following:

- Pay Mr A £150 compensation for the distress and inconvenience caused. So a total award of £250 in addition to the £100 already paid.
- Pay interest on the total loss settlement from 28 February 2025 to the date it paid Mr A.
- Interest will be applied at 8% simple interest a year.

Haven Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it Mr A 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.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 2 December 2025.

Geraldine Newbold
Ombudsman