

The complaint

Mr M complains about how a claim was handled by Haven Insurance Company Limited on his commercial motor insurance policy.

What happened

Mr M held a commercial motor insurance policy with Haven. I'm sorry to hear that he was involved in an accident in May 2024. Mr M believed he wasn't at fault for the accident and called Haven to raise a claim. Haven initially referred Mr M to an accident management company (AMC). Mr M spoke to the AMC but wanted to proceed with Haven. Mr M was unhappy he'd been referred to the AMC without being provided all the relevant information. Haven assessed Mr M's car and deemed it a total loss. Mr M was unhappy it was being deemed a total loss and how long the claim took. Mr M arranged for the car to be repaired himself. Mr M asked Haven to continue with getting a liability admission from the third party's insurer. Mr M was unhappy with how this was conducted by Haven. Mr M raised a data subject access request (DSAR) with Haven so that he could also raise liability with the third-party's insurer. Unfortunately, Mr M wasn't provided with all his data the first time round. Mr M raised a complaint with Haven about all the things he'd been unhappy about.

Haven didn't uphold Mr M's complaint as they didn't think they'd done anything wrong. Still unhappy, Mr M brought the complaint to this service.

Our investigator upheld the complaint. He thought Haven had made errors with the AMC referral and the DSAR referral and there had been delays with assessing the claim. Our investigator thought Haven should refund some of Mr M's hire costs and pay him £350 compensation for the distress and inconvenience caused. Haven accepted the outcome but Mr M appealed. He didn't think the compensation was enough. He also thought Haven should pay more of his hire costs. As no agreement could be reached, the complaint has been passed to me to make a final 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.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether Haven acted in line with these requirements with how they handled Mr M's claim.

At the outset I acknowledge that I've summarised his complaint in far less detail than Mr M has, and in my own words. I'm not going to respond to every single point made. No courtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

Haven accepted our investigators outcome. Whilst Mr M didn't, his contention was with the remedy as opposed to any of the merit's outcomes given. As no disputes have been raised, I see no reason to go over them again and will focus on the redress award. I've split this between hire costs and compensation separately.

Hire costs

Mr M's car was taken to a repairer a few days after raising his claim. Mr M wasn't entitled to a hire car under his policy and so hired a replacement car so he could continue to work. Mr M had the hire car for a total of 12 weeks. I can only hold Haven responsible for any costs due to delays caused in assessing the claim. Whilst I accept Mr M had enquired about proceeding with the claim on his policy, on 12 June 2024 he sent the following email to Haven:

"I am no longer claiming on my insurance due to my non C Liam [sic] bonus at stake and the fact that third liability is pending and investigation is ongoing. While's [sic] we are also awaiting for time & report from the council of which traffic light was Green or Red at the time of impact."

Mr M has said in response to our investigator's view that this was due to intentional delays in the process of repairs and intentional withholding of information of repairs. However, this isn't the reason given in his email. Mr M has also said that Haven had already reduced his no claims discount (NCD) and so there was no reason not to proceed. I disagree. If that was the case, I see no reason why Mr M didn't proceed with the claim through Haven. Whilst he disagreed with the car being written off, Haven had informed Mr M they would consider any further evidence he provided. Had Mr M gone through with the claim, until liability had been settled, the claim would have been recorded as a fault claim with his NCD reduced. There was no guarantee that liability would have been settled in his favour. So, the impact of the accident being recorded as a notification only, with his NCD not affected, would have most likely been better for him with the liability uncertainty. So, I think it's most likely that had things gone as they should have done, that Mr M would still not have proceeded with claiming on his policy.

Mr M paid £1,320 for six weeks of hire. This equates to £220 per week. It took four weeks from dropping off the car to Mr M deciding he didn't want to claim on his policy, with the claim outcome being delivered to Mr M the following day. Our investigator said that this took too long and recommended Haven should pay Mr M half of his hire costs during this period as a result. I think this is fair. I think it should have taken a maximum of two weeks to come to a claim outcome for Mr M, so, I think Haven should refund Mr M two weeks of car rental costs. This equates to £440. Haven should also pay 8% simple interest.

Even if Mr M had claimed on his policy, he wasn't entitled to a hire car, so he would still have been liable for any hire car costs himself. There was no guarantee that any repairs would have been completed within the six-week initial period of hire. Based on what happened, I think it's likely Mr M would still have needed a second period of hire if he wanted to continue working. The third-party's insurer has made Mr M an offer for his repairs. Mr M would need to approach the third-party's insurer about his hire costs should he want to try to claim the rest back. Haven wouldn't be responsible for these in any situation the claim played out.

Compensation

It's been accepted there have been issues with the referral call, handling of liability and the DSAR. There were also delays in the claim which caused distress and inconvenience.

Mr M has said he doesn't think the compensation is enough. Initially he said the compensation should be severe to act as a deterrent. As our investigator has pointed out, our compensation awards aren't for punitive purposes, only to compensate for the distress and inconvenience caused.

Mr M has since added that he was rushed to hospital in September due to stress of the claim and the claim still isn't resolved as he's not received payment from the third party's insurer. Whilst I'm sorry to hear about Mr M needing medical attention, it's not something I can consider in this complaint. This is because it's occurred recently and I can only consider points that have been raised with Haven as a complaint. Even if I could look into it, there's no evidence to support the health condition was caused solely as a result of stress caused by Haven's handling of the claim. Whilst I appreciate the claim is ongoing, as there were no costs for Haven to recover, they were also limited in the action they could take against the third party's insurer. The third party's insurer had also previously tried to hold Mr M responsible for the accident before now agreeing to cover his costs. Haven aren't responsible for the third party's insurer making an offer to Mr M but then delaying the payment.

I appreciate that it must have been frustrating for Mr M due to the issues with the referral call, handling of liability and the DSAR as well as the claim delays. Although this is a distilled version of events, I've considered everything in the round and I think Mr M has been caused considerable distress, upset and worry which has taken a lot of extra effort to sort out over several months. In line with our website guidelines, I think the £350 compensation awarded by our investigator is fair and reasonable in the circumstances.

Putting things right

To put things right, Haven should do the following:

- Pay Mr M £440 to cover his hire costs due to claim delays.
- Pay Mr M 8% simple interest* on the above payment from the date Mr M made payment of the invoice to the date Haven make payment to Mr M.
- Pay Mr M £350 compensation for the distress and inconvenience caused.

* If Haven considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M how much it has taken off. It should also give Mr M a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained above, I uphold this complaint and direct Haven Insurance Company Limited to put things right by doing as I've said above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 January 2026.

Anthony Mullins
Ombudsman