

The complaint

Mr B complains about the way Haven Insurance Company Limited dealt with a claim he made on his motor insurance policy.

What happened

Mr B had an accident in which his van was damaged. He claimed on his motor insurance policy with Haven.

Haven's engineers concluded, based on photos of the van, that it was a write-off. Mr B disputed this. He told Haven that he wanted to keep the van, which he'd only had for a few months, and get it repaired. And he said his own repairer had told him it could repair the van for £7,000 to £8,000.

Four days after the accident, in view of Mr B's wish to have the van repaired, Haven instructed engineers to carry out a physical inspection of the van. The engineers provided a detailed report a few days later. They concluded that the van was a Category S write-off and estimated that it would cost around £14,000 to repair, with parts alone costing more than £9,000. Haven considered that it was uneconomical to repair the van, and offered Mr B £19,500 in settlement of his claim, based on a pre-accident value of £21,100, less the policy excess of £600. Mr B wasn't satisfied with this.

Mr B complained to Haven about its handling of his claim. He said Haven had told him that if he paid for a temporary vehicle himself, the van could be repaired. Haven would let the garage know, and he'd pay the £600 excess once the repairs were complete. But when he contacted the recovery agent to ask where his van was going, he was told it hadn't heard anything from Haven. And on contacting Haven again he was told his van had been written off. He told Haven he required it to release the van so that it could be repaired by his own repairer.

Haven released the van so that Mr B could have it inspected and repaired by his own garage. The van arrived at Mr B's chosen repairer 16 days after the accident, and the following day, Haven sent an interim authority for it to carry out the repairs. Haven said there was no need to supplement the assessment until the repairs were fully completed, at which point a fully costed assessment with images should be sent to Haven and would be authorised by return.

Mr B says the van was eventually repaired. But he's told us he paid more than £3,000 to hire a van to use in the interim. He says this was in spite of the fact that Haven told him that if his van was repairable, he'd be given a hire van for the duration of the repairs.

One of our investigators considered Mr B's complaint but didn't initially think it should be upheld. He explained that the insurance policy allowed Haven to settle the claim as it saw fit. He said Haven had based its decision that the van was a write-off on an engineer's report, and he hadn't seen satisfactory evidence that the van could, as Mr B said, be repaired for under £10,000.

But the investigator changed his mind and issued a second view, after learning that Haven had, in the end, authorised the van to be repaired under the policy. He considered that this supported Mr B's argument that Haven could, or should, have agreed to this sooner. He said this would have resulted in the van not being written off, and would have avoided the hire costs that Mr B had to pay, as he was entitled to a courtesy vehicle under the terms of his policy. So the investigator said Haven should reimburse Mr B for the cost of the hire vehicle and remove any "Cat S" write-off marker placed on the van.

Haven didn't agree with the investigator's revised view, so the complaint was passed to me.

My provisional findings

After considering all the evidence, I issued a provisional decision on this complaint to Mr B and to Haven on 17 May 2023. I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've reached a different conclusion from the investigator.

As the investigator said in his first view, Haven was entitled, under the terms of the policy, to settle Mr B's claim as it saw fit. It asked its engineers to provide a report on Mr B's van based on photos of the damage. This is common practice, and I don't consider it to have been unreasonable. After taking advice from its engineers, it decided that it would be uneconomical to have Mr B's van repaired. So it concluded that the van was a write-off, and offered to pay Mr B the value of the van.

Mr B felt strongly that the van could be repaired so Haven instructed an engineering company to carry out a physical inspection of the van. The engineers reported that having inspected Mr B's van, they were satisfied that it was a "Category S" write-off. In other words, it had sustained structural damage.

I don't accept that the fact that Haven ultimately agreed to pay to have Mr B's van repaired at a garage of his choosing implies that it could, or should, have done so sooner. It concluded both from the original "desktop" engineer's report and from the report prepared by another engineer after a physical inspection that Mr B's van was a write-off. Given Mr B's strength of feeling that his van should be repaired, it agreed to pay for the van to be repaired by a garage chosen by Mr B. It may be that Mr B's garage repaired the van for less than the estimate provided by Haven's own engineers. But that doesn't mean that it was unreasonable for Haven to rely on the opinion of the engineers it instructed.

Mr B's van was sent to his chosen repairer two and a half weeks after the accident. The following day Haven sent Mr B's repairers an interim instruction to repair the van. In its final response to Mr B's complaint, Haven explained that the interim authorisation was issued after it received an estimate from Mr B's chosen repairer. The instruction said that final repair authority would be given "on completion of repairs and receipt of a fully costed assessment". Mr B emailed Haven early the day after it sent his repairer the interim authorisation, and said that his repairer had told him the repairs had been authorised.

I'm satisfied, both from Haven's records and from what Mr B has said, that Haven told Mr B that if he used a repairer of his choice, he wouldn't be provided with a courtesy vehicle while the repairs were being carried out. And this was in line with the provisions of Mr B's insurance policy.

It seems that Mr B was without his van for some considerable time, and he had to pay a lot to hire a vehicle to use while his van was being repaired. But I've seen nothing to make me think that Haven was responsible for any unreasonable delay in the van arriving at Mr B's chosen repairers. And on the basis of the information provided, I'm satisfied that Haven gave Mr B's chosen repairers the go-ahead to carry out the repairs promptly, the day after they received the van.

It isn't clear to me from the information provided why Mr B ended up being without his van for so long, but on the basis of what I've seen, I can't fairly conclude that it was Haven's fault. And that being the case, I don't find that it would be reasonable to require Haven to cover, or contribute to, Mr B's costs of hiring a vehicle while his van was being repaired.

I accept that it looks as if there may have been some confusion within Haven. Shortly after sending Mr B's repairers the interim authorisation, Haven asked Mr B for a report with a view to seeing whether it could authorise the repairs. Mr B responded that the member of staff was obviously unaware that the repairs had already been authorised. And nearly two months after the accident, when Mr B's van had been with his chosen repairer for around five weeks, a member of Haven's staff told Mr B that it was waiting for an estimate from his repairer and that it hadn't granted authorisation for the repairs. But it looks as if this was a mistake on the part of that member of staff. It appears from Haven's notes as if there may have been some confusion about a new system.

I can understand that the apparent confusion in some of Haven's communications will have caused additional stress and worry to Mr B at what was already a difficult time. And I think it's reasonable to require Haven to pay Mr B some modest compensation to reflect this. But I'm satisfied that both Mr B and his chosen repairer knew that Haven had authorised the repairs the day after his van arrived at the repairer. And I've seen nothing to make me think that confusion on Haven's part had any impact on the length of time that Mr B was without his van.

Mr B has commented that Haven didn't tell him his van was a Category S write-off, and says he only learned this after he brought his complaint to us. But even if that's the case, I'm not persuaded that Mr B lost out as a result, as I think it unlikely that it would have affected his decision. It's clear that he was very keen to have his own van back – not least because it was specially fitted out. Mr B mentioned in his complaint to Haven that if the van were written off, it would take around 18 months before he'd be able to have a similar vehicle, due to a shortage of vans and fitting-out time.

So taking everything into account, I think it's reasonable to require Haven to pay some compensation to Mr B for the additional stress caused by the confusion in some of its communications. But I don't consider that it's appropriate to require Haven to take any other action."

I said that my provisional decision was that Haven should pay Mr B £100 to apologise for the confusion in its communications with him.

Further submissions

Haven has told us that it accepts my provisional decision and has nothing further to add. But Mr B doesn't accept my provisional findings. He says, in summary:

- I haven't taken into account the fact that he hasn't received any payment in settlement of his claim.
- He believes Haven should be paying him around £21,000 less the £11,000 repair costs.
- Haven's engineer inspected his van when it was at the repair garage and found no structural issues.
- He'd simply like Haven to pay him just over £3,000 to reimburse him for his hire costs. And he'd like the Category S marker removed from his van's record.
- He doesn't understand how Haven can say his van is written off and yet authorise, and pay for, its repair.
- He's entitled to a replacement vehicle for the duration of the repairs under his policy.
- His van was taken to a Haven Insurance Approved Repairer, which happened to be his own dealership.
- It isn't true that he agreed to pay for his own replacement vehicle, as he was covered under his insurance policy for a replacement vehicle while his van was being repaired.

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.

As I explained in my provisional decision, in line with most motor insurance policies we see, Haven was entitled to settle Mr B's claim as it considered appropriate. Haven instructed engineers to examine Mr B's van while it was at the garage. The engineers concluded that it had suffered structural damage and would be expensive to repair. Haven decided that the van was damaged beyond economic repair (written off). So it offered to pay Mr B the value of the van, as set out in the policy. As Mr B has pointed out, if it had done that, he'd have been entitled to a replacement vehicle for up to seven days.

But Mr B had only had the van for a short time, and he wanted it to be repaired. And Haven ultimately agreed to this, even though it wasn't its preferred course of action.

Mr B's policy said:

"In the event that Your Vehicle is rendered a total loss... We will provide You with a Courtesy Vehicle for Your use for a maximum period of seven days only. In the event that Your Vehicle can be repaired following an accident We will provide You with a Courtesy Vehicle for the duration of repairs only when We are repairing Your Vehicle without involving a sub-contractor that You request that We engage with. Where You request that We sub-contract the repair work that We are to carry out, We will not provide You with a Courtesy Vehicle".

If Haven had settled the claim as it wanted to do, Mr B would have received a payment for the value of the van, and Haven would have provided him with a courtesy vehicle for up to a week.

Mr B made it clear to Haven that he wanted the van repaired. In agreeing to this, Haven departed from its chosen course of action, and it agreed to Mr B's garage carrying out the work.

It's clear that Mr B believes firmly that he was entitled to a courtesy car while repairs were carried out. But I'm satisfied that under the terms of the policy there was no such entitlement. Haven considered the van to be a write-off, but agreed to Mr B's request to have it repaired at Mr B's garage. And I'm satisfied that Haven made it clear to Mr B that, even though he made it clear that he believed he was entitled to a courtesy vehicle, if the van was repaired, he'd need to cover the costs of any hire vehicle himself. It was on that basis that the repairs went ahead.

In the event, the repairs took a long time. And Mr B says he had to spend a lot of money hiring a vehicle in the interim. I can understand Mr B's frustration. But I can't fairly hold Haven responsible for that. It wanted to pay Mr B the value of the vehicle. Instead, at Mr B's request, it agreed to pay for the van to be repaired. The possibility that the repairs would take a long time, and that hire costs would consequently be high, was a risk that Mr B took.

Mr B says I didn't take account in my provisional decision of the fact that he hasn't received any payment in settlement of his claim. Haven offered to pay Mr B the value of his van. Instead, he chose to keep the van and Haven paid for the repairs. In those circumstances there was nothing for Haven to pay to Mr B in settlement of the claim.

I'm sorry to disappoint Mr B. I know that he feels strongly about the issues he's raised. But having thought carefully about all the comments and evidence provided by both parties, I'm not convinced that there's any good reason to depart from the findings I set out in my provisional decision.

Putting things right

To put things right, Haven should pay Mr B £100 to apologise for the confusion in its communications with him. I don't require it to take any other action.

My final decision

My final decision is that I uphold this complaint in part. I require Haven Insurance Company Limited to put things right by paying Mr B £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 August 2023.

Juliet Collins

Ombudsman