

## The complaint

Mr T complains that Haven Insurance Company Limited mishandled his claim on a commercial vehicle insurance policy.

## What happened

The subject matter of the claim and the complaint is a van made by a large vehicle-maker with a diesel engine and first registered in May 2011.

Mr T was a self-employed decorator. He acquired the van no later than February 2020 (the date of its most recent V5 registration document).

For the year from early October 2021, Mr T had the van insured with Haven. The policy schedule said that any claim for damage was subject to excesses totalling £650.00.

Mr T reported that in early May 2022, an accident had damaged the front of the van (and the rear of another vehicle).

From late November 2022, Mr T asked Haven to provide a courtesy vehicle.

In late March 2023, Haven got a vehicle assessor to do a report on the damaged van. The report said the cost of repairs would be about £1,736.00 excluding VAT.

Haven offered Mr T the following:

Cash in lieu	£1,736.21
Less excess	£ 650.00
Total	£1,086.21

On 10 May 2023, Mr T complained to Haven that it wasn't offering him enough and he'd lost his business because he didn't have a van.

By a final response dated 5 July 2023, Haven accepted responsibility for six weeks' delay and offered £100.00 compensation. As regards its offer of cash in lieu, Haven offered Mr T two alternative options:

1. payment of the sum of £1,086.21 or
2. Haven would look to locate a repairer.

Mr T didn't accept either option. He brought his complaint to us in late July 2023.

*our investigator's opinion*

In early October 2023, our investigator asked Mr T for more information. He didn't respond.

In mid-November 2023, our investigator recommended that the complaint should be upheld in part. She thought that £100.00 was fair for the delays she'd found. She also thought that each of Haven's alternative options was fair.

However, she thought that the policy terms said that in claims where the vehicle is a total loss, the policy holder is entitled to a courtesy car for seven days. She thought that Mr T was entitled to a vehicle for seven days and wasn't given one. She recommended that Haven should pay Mr T:

1. £70.00 for loss of use of the van; and
2. (in addition to the £100.00 offered in the final response) £100.00 for the inconvenience in not having a courtesy car for the seven days he should have.

Haven accepted the investigator's opinion. Mr T didn't respond to the investigator's opinion. So the investigator closed the file.

Mr T contacted us in mid-January 2024, saying he hadn't received the investigator's opinion. The investigator confirmed her opinion and Mr T disagreed with it.

Mr T contacted us again in mid-April 2024, saying that he still disagreed with the investigator's opinion, but hadn't received the payment she recommended.

In late April 2024, Mr T told the investigator that he'd never received the cash in lieu of repairs. The investigator agreed to reopen the complaint.

In early May 2024, our investigator issued a second opinion. She still recommended that the complaint should be upheld in part. She still thought that £170.00 was fair for the inconvenience of not having the van or a replacement for a week. She still recommended that Haven should pay Mr T £170.00.

#### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr T and to Haven on 14 June 2024. I summarise my findings:

Haven should've realised that Mr T didn't want it to repair the van. Also, Haven was responsible for delay in February, March and April 2023.

I was minded that it was fair and reasonable to direct Haven to pay Mr T its figure of £1,086.21

I'd thought about Haven's delays and other shortcomings, and their impact on Mr T.

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

1. £1,086.21 in settlement of his claim; and
2. in addition to its final response offer of £100.00, a further £170.00 for distress and inconvenience.

Neither Mr T nor Haven has responded to the provisional decision.

I see no reason to change my view.

### **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.

From an HPI check, I've seen that in 2016, the van had been a write off in category D.

From its MOT history, I see that the van passed a test in mid-October 2021 with a recorded mileage of about 123,000.

Haven's policy terms included the following:

*“Section H - Courtesy vehicle cover*

*1. 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...”*

So the policy only provided a courtesy vehicle for a maximum of seven days – and only for the duration of repairs by Haven.

From what I've seen, I think that Mr T was paying the yearly premium to Haven by monthly instalments. The reported accident was on 5 May 2022, about seven months after the policy started.

In my view, the accident and the process of making a claim were bound to cause Mr T distress and inconvenience. From its claim file, I see that Mr T made a claim to Haven on 6 May 2022 (not 6 May 2023 as Haven stated in its final response).

At first, Haven proposed to treat the van as a total loss and to pay Mr T its pre-accident valuation of about £3,260.00 less the excess, less the outstanding premium for the rest of the policy year. Haven gave Mr T no other choice except to withdraw his claim. Mr T wanted to keep the van. So he withdraw his claim in late May 2022.

The policy expired in early October 2022. The van's MOT certificate expired in mid-October 2022.

In late November 2022, Mr T revived his claim.

In mid-January 2023, Mr T disagreed that the van was a total loss.

In early February 2023, Mr T sent Haven a repair estimate.

By mid-March 2023, Haven agreed to instruct its assessor.

The assessor's report recorded the van's mileage as about 124,000. The report said its pre-accident value had been £3,586.00 and the cost of repairs would be about £1,736.00. These figures excluded VAT. And Haven's assessor's figure for repairs was higher than Mr T's repair estimate.

At no time did Mr T part with the van to Haven or its salvage agent as a total loss. Indeed, he withdrew his claim from late May 2022 to late November 2022. And when he revived his claim, he wasn't asking for Haven to do a repair but rather to pay him cash in lieu.

So unlike the investigator, I don't consider that the policy entitled Mr T to a courtesy vehicle for seven days or at all. I don't find it fair to direct Haven to pay compensation for loss of use of a courtesy vehicle.

Mr T was responsible for the delay from late May 2022 to late November 2022. And he hasn't provided enough evidence to show his earnings before the accident or afterwards. Also, Mr T hasn't provided enough evidence to show that Haven should've offered more cash in lieu. So I don't find it fair to direct Haven to pay compensation for loss of earnings.

I think that Mr T is alluding to a scrappage scheme for older diesel vans that still had an MOT certificate. However, I don't find that Haven should've foreseen that Mr T might be willing or able to use such a scheme. So I don't find it fair and reasonable to direct Haven to compensate Mr T for missing out on that.

Nevertheless, I consider that Haven should've realised that Mr T didn't want it to repair the van. Also, I've seen that Haven was responsible for delay in February, March and April 2023.

### **Putting things right**

So I find it fair and reasonable to direct Haven to pay Mr T its figure of £1,086.21. I've thought about directing Haven to pay interest at our usual rate; however I don't find that fair as Mr T hasn't provided enough evidence that he was out of pocket for costs of repair.

I've thought about Haven's delays and other shortcomings, and their impact on Mr T. I consider that Haven's offer of £100.00 compensation went some way towards putting things right. Also, I keep in mind that Mr T was responsible for some of the delay and he hasn't provided enough evidence to us in support of his complaint.

However, the impact on him went on over many months. Also, Haven agreed to the investigator's recommendation. So I find it fair and reasonable to direct Haven to pay Mr T, in addition to its final response offer of £100.00, a further £170.00 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 pay Mr T:

1. £1,086.21 in settlement of his claim; and
2. in addition to its final response offer of £100.00, a further £170.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 27 July 2024.

Christopher Gilbert

**Ombudsman**