

## The complaint

Mr O complains that Haven Insurance Company Limited mishandled a claim on his motor insurance policy.

## What happened

For the year from mid-June 2022, Mr O had a hatchback car insured on a policy with Haven.

Unfortunately, in September 2022, Mr O reported that while he was changing lanes in the car, its nearside had come into contact with a third party's motorcycle.

Later, Haven settled a claim from the third party.

In June 2023, Mr O complained to Haven that it hadn't treated him fairly.

By a final response dated 25 June 2023, Haven turned down the complaint.

Mr O brought his complaint to us in mid-September 2023.

Our investigator recommended that the complaint should be upheld in part. She didn't think that Haven updated Mr O when a claim was made and then settled on his policy.

She recommended that Haven should award £150.00 compensation for the impact this had on Mr O.

Mr O accepted the investigator's opinion.

Haven disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, in summary, that it advised Mr O on multiple occasions he was at fault, and it would deal with any third-party claims.

## 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's policy terms included the following:

### *“Conduct of claims/subrogation*

*1 We are entitled to take over any third party claim against You (...) and to conduct the defence or settlement of any such third party claim in Your name ...*

*2 We are entitled to instruct solicitors of Our choice to act for You in any civil or criminal claim against You...*

*3...*

*4 Where We consider it appropriate, We may admit liability on Your behalf ...We have full control of all claims covered by this policy.”*

That meant that, on a question of how best to deal with a claim from a third party, Haven's view would prevail over its policyholder's view.

We would consider whether Haven applied that term fairly. Unlike a court, we don't hear evidence from each party and decide the extent to which any of them is responsible for causing damage or injury.

I'm satisfied that Haven took into account Mr O's report of the accident. It quickly concluded that he was likely to be found at fault. Haven told Mr O that it would settle any claim from the third party.

I'm satisfied that Haven made a reasonable decision to settle the claim rather than to incur the risk and cost of defending court proceedings. In any event, I consider that Mr O now accepts that decision.

Nevertheless, I would've expected Haven to tell Mr O if and when the third party made a claim and when it settled such a claim.

I'm satisfied that it was part of his complaint to Haven that it hadn't told him. I say that notwithstanding that Haven's final response – and much of its submissions to us – chose to focus on the liability decision itself.

I find that Haven didn't tell Mr O when the third party made his claim or when Haven settled it. I'm satisfied that Mr O didn't find out until shortly before his renewal date in June 2023.

I don't accept Mr O's submission that Haven deprived him of an opportunity to change the outcome. However, I do accept that he felt that way.

I accept Mr O's submission that Haven deprived him of the opportunity to prepare for a significant increase in the cost of his motor insurance. So it came as an unpleasant surprise shortly before his renewal date in June 2023. Mr O had little time to re-arrange his affairs, which he has said included selling the vehicle.

### **Putting things right**

I'm keeping in mind that impact on Mr O and also Haven's failure to acknowledge its mistake and its impact.

Overall, I conclude that it's fair and reasonable to direct Haven to pay Mr O £150.00 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 O £150.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 20 March 2024.

Christopher Gilbert  
**Ombudsman**