

The complaint

Mr D has complained that Haven Insurance Company Limited has rejected his claim under his Taxi Insurance policy for damage to his car. He's also complained about the impact this has had on him, the fact that Haven has put a marker against his car saying it was stolen and the fact that Haven cancelled his policy.

What happened

Mr D's car was damaged in an accident in April 2023. He contacted Haven to make a claim and was told to take it to a repairer to get an estimate. He did this on 19 April 2023 and sent the estimate to Haven. As his car wasn't safe to drive, Mr D parked it on a street near to the garage who provided the estimate, locked it, and left it there. He had not heard from Haven on the estimate when his car was stolen on 9 May 2023. He told Haven about this. The car was then recovered by the police and it appears Haven arranged for a motor engineer to assess the damage. Eventually, Haven declined Mr D's claim on the basis that he had failed to take reasonable steps to prevent its loss or damage. This was on the basis he had abandoned it near the garage for 20 days. Mr D complained to Haven, but it wouldn't alter its stance.

Mr D asked us to consider his complaint. One of our investigators did this. She said she thought Haven's rejection of Mr D's claim was unreasonable and recommended it should settle it. She also said Haven shouldn't have cancelled Mr D's policy and that it should refund any cancellation fees and remove any record of the cancellation. And she said Haven should pay Mr D £20 per day for the loss of use of his taxi.

Haven didn't agree with the investigator's view and asked for an ombudsman's decision. It said it only investigated Mr D's complaint about the rejection of his claim. In view of this, it didn't think the investigator should have considered the other things Mr D raised. Haven said it should be entitled to investigate the delay in approving the estimate and the loss of use separately, as the garage Mr D used wasn't one of its approved repairers. It pointed out that where the insured vehicle was parked overnight was a rateable factor and if it had been made aware it had been left parked away from Mr D's home it would not have continued providing cover. And it didn't consider Mr D took reasonable care in doing this. Haven also said if Mr D had let it know the vehicle was undrivable, it would have arranged recovery back to his home. It implied that Mr D should have at least checked the vehicle every day. And that he should have told Haven it wasn't going to be parked at his home address overnight.

I issued a provisional decision on 15 February 2024 in which I set out what I'd provisionally decided and why as follows:

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

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the

circumstances of Mr D's complaint.

Mr D's policy covers damage to his car as a result of an accident and/or theft. He's made a claim for this. This means, unless Haven can show it is entitled to rely on an exclusion or Mr D breaching a policy condition to decline his claim, it should settle it.

Haven thinks it is entitled to rely on Mr D's breach of a policy condition requiring him to take all reasonable steps to prevent loss or damage to his car. But I don't think Mr D did breach this condition. He couldn't drive his car, so he parked it in a normal street and locked it. He had no reason to think it would be stolen. So, I think he did take reasonable steps to prevent loss or damage by locking it. Lots of cars are left locked on a street fairly near someone's home or elsewhere for a period of two or three weeks while they go on holiday and I wouldn't have thought Haven reject claims for people who do this on the basis they failed to take reasonable care. I think Mr D did what he thought he needed to do to protect his car and it was just unfortunate it was stolen.

I do not think Mr D needed to tell Haven he'd left his car near the garage, as I've seen nothing to suggest Haven told him he needed to do this when he submitted his claim. And I do not think parking a car in the same place away from his home for three weeks represented the sort of change in risk he needed to tell Haven about.

It therefore follows, that I think as part of the fair and reasonable outcome to Mr D's complaint Haven should settle his claim in accordance with the claim settlement terms in his policy. I think Haven should also add interest to any amount due to Mr D at 8% per annum simple to compensate him for the impact of receiving this amount late. It should pay this from one month after Mr D made his claim, as I think Haven should have settled it by this point. I've noted what Haven has said about the additional complaint points our investigator has considered. While I appreciate Haven didn't address them in its final response letter to Mr D, this doesn't mean he didn't make them when he complained to Haven. And Haven hasn't actually provided anything to show me what Mr D actually complained to it about. However, even if Mr D didn't raise them with Haven, I think they flow directly from his complaint about its rejection of his claim. So I see no reason why I shouldn't address them. Especially, as I do not consider Mr D failed to take reasonable steps to protect his car. And this means any loss of use would flow directly from the way Haven handled his claim.

This having been said, I do not think an award of £20 per day for loss of use is appropriate. I think it is more appropriate to either make an award for the inconvenience Mr D experienced as a result of not having his own car to use as a taxi and for his personal use or to award an amount to cover any additional expense he incurred as a result of this.

Mr D has said initially he borrowed a car from a friend. So it doesn't seem he suffered any real inconvenience or additional expense in this period. He said after this he rented a car through an informal arrangement with a friend at £150 per week. He's said he could provide proof of this, but as things stand he hasn't done so. This means he didn't really suffer the inconvenience of not having a car or a loss of income as a result of the delay on his claim or because it was turned down. I say this as I presume he could use the cars he borrowed or rented to carry out his taxi business and for his personal use. But he did suffer general distress and inconvenience as a result of the delay on his claim and it being incorrectly turned down. So, I think he should be compensated for this. And I think the level of distress and inconvenience was fairly significant and warrants a compensation payment of £350. I do not propose to award anything for the cost of Mr D renting another car at this stage, as he did this through an informal arrangement. But, if he can provide evidence he did so, such as receipts, in response to this provisional decision I can consider this aspect further. If Mr D does provide this evidence I may decide it is fair to make Haven cover this cost. So – if Haven doesn't agree I should do this – it should say why in response to this provisional

decision.

I think Mr D's policy only ended up being cancelled because of the poor handling of his claim by Haven. This means I do not think he should lose out because of it. So, Haven should refund any fees he paid when he cancelled his policy. I am not going to award interest on these, as I anticipate the amount involved would be very small indeed. Haven should also remove any cancellation marker from its records and from any central databases it has placed one on.

It was fine for Haven to mark Mr D's car as stolen after he told them it was. But it should make sure this marker is changed to reflect the fact it has now been recovered.

I gave both parties until 29 February 2024 to provide further comments and evidence. And neither party has provided any further comments or evidence.

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 neither party has provided any further comments or evidence in response to my provisional decision, I see no reason to reach a different conclusion on the fair and reasonable outcome to Mr D's complaint to the one I set out in it.

Putting things right

For the reasons set out in my provisional decision, I've decided to uphold Mr D's complaint and make Haven do the following:

- Settle Mr D's claim for his car in accordance with the claim settlement terms in his policy.
- Pay interest on any amount due to Mr D at 8% per annum simple¹ from one month after he made his claim to the date of payment.
- Pay Mr D £350 in compensation for distress and inconvenience.
- Refund any fees Mr D incurred when his policy was cancelled.
- Remove any cancellation marker from its records and any central databases it has placed one on.
- Ensure Mr D's car is recorded as stolen recovered on any databases it placed it on as stolen.

My final decision

I uphold Mr D's complaint and order Haven Insurance Company Limited to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 1 April 2024.

¹ Haven must tell Mr D if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Mr D if asked to do so. This will allow Mr D to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

Robert Short
Ombudsman