

## **The complaint**

Mrs P and Mr S complain that Haven Insurance Company Limited unfairly declined their motor insurance claim and cancelled their policy.

## **What happened**

In April 2023, Mr S took out a motor insurance policy with Haven with Mrs P as a named driver. The policy was taken out through a broker and the cover began in May 2023.

In September 2023, Mrs P was in an accident which involved another vehicle. She says she was upset and panicked when she called Haven to notify it of the accident. She told Haven she was working but she was actually off work that day and was on her way to visit a relative. Mrs P says Haven refused the claim. After she provided a letter from her employer showing she was on annual leave on the day of the accident, she says Haven refused her claim and cancelled the policy because Mr S had changed his job without telling it. Mrs P says the car was only driven for social use, not for work.

Haven didn't respond to Mrs P's complaint, so she asked our service to consider the matter. Haven didn't provide us with any information, despite multiple requests for its business file. So, our investigator reached an outcome based on the information Mr S and Mrs P had supplied.

Our investigator thought Mr S and Mrs P's complaint should be upheld. She didn't think there was sufficient evidence to satisfy her that the cancellation had been actioned fairly. She recommended that Haven reinstate the policy, reassess the claim, remove the cancellation record and refund any extra premium Mrs P and Mr S paid to their new insurer. She also recommended Haven pay Mrs P and Mr S £100 compensation for distress and inconvenience.

After our investigator chased Haven for a response to her view, Haven said it was awaiting further information from its underwriters and it would contact us again once it had received this. Our investigator gave Haven two weeks to provide this, but Haven didn't respond. The investigator gave Haven another opportunity to provide further points or further information before moving the case to wait for an ombudsman's decision. However, it still didn't respond. So, the complaint has been passed to me to decide.

## **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.

Having done so, I've decided to uphold Mr S and Mrs P's complaint. I'll explain why.

As Haven hasn't provided any information in relation to this case, I've needed to base my decision on the information provided by Mr S and Mrs P.

The policy documents show that Mr S's policy started on 6 May 2023, with Mrs P as a named driver. Mrs P says she was involved in an accident on 29 September 2023. She says Haven initially told her it was declining her claim because she mistakenly said she was on her way to work and the cover was only for social, domestic and pleasure use. She says she didn't use the car for work and has provided a letter from her employer to show she wasn't working on the date of the accident.

Mrs P says Haven then said it was declining her claim because Mr S had changed his job without telling it. She says he wasn't doing any job when the accident happened. Mr S says when he took out the policy, he advised he was a builder and does all kinds of jobs. He says the broker said it would put "door fitter" down on the application.

Mr S and Mrs P have provided a letter from the broker which says the policy had been cancelled with effect from 5 October 2023. However, it doesn't state the reason why the policy was cancelled. Given that the accident seems to have happened prior to this date, it's unclear why Haven has refused the claim.

The information from Mrs P suggests that the cancellation had something to do with Mr S's occupation. It's unclear if this was to do with a change in his employment circumstances or if Haven believed it had been given inaccurate information about his occupation when he took out the policy. But in any event, I haven't seen any evidence to show that Mr S's occupation would have made a difference to Haven's decision to provide cover. Nor have I seen any other evidence to show that it was fair and reasonable for Haven to cancel the policy or decline Mr S and Mrs P's claim.

In light of the above, I think Haven should reinstate the policy and reassess the claim. It should remove any record of the cancellation from internal and external databases. If Mr P and Mrs S have paid more for a new policy as a result of Haven cancelling their policy, Haven should refund the extra premium they've paid their new insurer. It should also provide written confirmation that the policy was cancelled in error and that it's refunded the difference in premium.

I think this has been an upsetting and frustrating experience for Mr S and Mrs P who don't appear to have been given a proper explanation regarding the cancellation of the policy and the refusal of their claim. So, I think it would also be fair for Haven to pay Mr S and Mrs P the £100 our investigator recommended for distress and inconvenience.

### **Putting things right**

Haven should:

- Reinstatement of Mr S and Mrs P's policy.
- Reassessment of their claim.
- Removal of any record of the policy being cancelled from internal and external databases.
- Refund of any extra premium Mr S and Mrs P paid their new insurer, upon evidence from them.
- Provide written confirmation that the policy was cancelled in error and the difference in premium has been refunded (if applicable).

### **My final decision**

For the reasons I've explained, I uphold Mr S and Mrs P's complaint and direct Haven Insurance Company Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr S to accept or reject my decision before 31 July 2024.

Anne Muscroft  
**Ombudsman**