

The complaint

Mr K complains that Haven Insurance Company Limited (“Haven”) cancelled his car insurance policy which also meant it wouldn’t pay his claim.

What happened

Mr K had a motor insurance policy with Haven covering his car. He took the policy out via a broker.

In March 2024 his car was taken. He reported it as stolen to Haven. The car wasn’t recovered.

Haven asked Mr K for some further information to validate his policy. It wrote and emailed him on 10 March and gave him seven days to respond or it would cancel his policy.

Mr K didn’t provide the information Haven asked for. There was a brief period of intense communication between Mr K and Haven. Ultimately, it cancelled his policy on 24 March.

Mr K brought his complaint to this service.

Our investigator looked into it and thought it would be upheld. She said she didn’t think Haven acted fairly in how it dealt with the validation of Mr K’s policy and it should give him another opportunity to provide the evidence it needs before considering his claim.

She thought Haven had caused Mr K distress and inconvenience and it should pay him £350 compensation and consider Mr K’s expenses he’d incurred because he didn’t have a car.

Haven said in later correspondence with this service that it would agree to consider Mr K’s claim subject to receiving the necessary evidence, but it didn’t agree with the amount of compensation awarded.

Because it didn’t agree, Mr K’s complaint has been passed to me to make a final decision.

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.

Our approach in cases like this is to consider whether the insurer has acted in line with the terms and conditions of the policy, and fairly and reasonably.

Having read the file, I don’t think Haven has acted fairly and I’m upholding Mr K’s complaint. I’ll explain.

I’m not going to discuss the reasons Haven wanted to validate Mr K’s policy because Haven has said that it will consider Mr K’s claim if he sends it the proof it needs.

From the file of evidence, I can’t see that this has been done yet. So, the first part of my

decision is that Haven re-issues Mr K with an email and letter detailing what it needs from him to be able to validate his policy. Mr K needs to provide an urgent reply to Haven with the evidence it needs.

To be clear, the information required by Haven is not unusual and I don't think its request is unfair. But I think the way Haven dealt with its information request and subsequent cancellation has led to a potentially unfair outcome for him.

Once it receives his valid evidence, Haven needs to consider Mr K's claim in line with the remaining terms and conditions of his policy.

It's important Mr K understands that I've not said Haven needs to pay his claim.

What Mr K needs to do is co-operate with Haven and provide the information it needs. Once Haven has that information it can consider his claim.

What I'm able to say is that, in later correspondence with this service, Haven has provided further details to this service about why it needed Mr K to validate his policy. It seems to me that Haven should have acted much clearer and more decisively around the time he made the claim. I don't think it's good service of Haven to be re-examining issues several months later when the information it refers to seems to have been available around the time the policy was set up and the claim made.

I can see Haven's decision to cancel his policy and its subsequent service has led to delays in dealing with the claim, and this has caused Mr K significant distress and inconvenience. I've thought about this, and I think the appropriate amount of compensation is £350.

Mr K has also said he's had to rely on taking taxis as he's not had a car for some time. I can see this was dealt with in the view and hasn't been commented on by Haven. So, I think it's fair I say I'd expect Haven to pay Mr K's reasonable, expensed costs because it didn't act fairly when it cancelled his policy.

My final decision

It's my final decision that I uphold this complaint. Haven Insurance Company Limited now needs to:

- Urgently provide Mr K the opportunity to validate his information.
- Consider Mr K's claim under the remaining terms and conditions of his policy once his information has been successfully validated. I'd also expect Haven to remove any record of the cancellation on their own or any external databases if the validation is successful.
- Pay Mr K £350 compensation for his distress and inconvenience caused.
- Reimburse Mr K's reasonable, proven, transport costs during the period he's been affected by Haven cancelling his policy.

Haven Insurance Company Limited must pay the amount within 28 days of the date on which we tell it Mr K accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 19 December 2024.

Richard Sowden
Ombudsman