

The complaint

Mr J complains that Haven Insurance Company Limited unfairly cancelled his motor insurance.

What happened

Mr J had a motor insurance policy with Haven, taken out via a comparison website in February 2024. In April 2024, he was involved in a minor road accident with a third party. This was initially reported to Haven by the third party. Mr J later told Haven he didn't report this immediately because he wanted to settle the claim privately.

As part of its investigation into the claim, Haven carried out a "*policy validation process*". It asked Mr J – via his insurance broker – for, among other things, proof of occupation for both him and the named driver on the policy. It told him he needed to provide this within ten days or it would cancel his policy. Mr J sent these documents to his broker.

Haven didn't accept the documents provided as adequate proof of occupation. It told Mr J: "*Both documents appeared to be exactly the same but for different companies, both at the same address, dated the same, and signed by the same person.*" It cancelled his policy with immediate effect. It also recorded the cancellation on the Claims and Underwriting Exchange (CUE).

Mr J was unhappy with this and complained to this service. He says, in summary:

- He doesn't think it was fair for Haven to cancel his insurance.
- He provided all required documents when he took out the policy.
- Haven hasn't proved there was a fraud, and he doesn't see the relevance of his occupation for motor insurance.
- Haven unfairly retained his premium, which he paid in full at the start of the policy term.
- His insurance premiums have increased because of the cancellation marker on CUE.

Our investigator didn't recommend that the complaint should be upheld. She found that Haven asked Mr J for proof of occupation and warned him that it would cancel his policy if he didn't provide this. She understood why Haven didn't accept the documents Mr J sent and was satisfied that its decision to cancel was in line with the policy terms. She thought Haven's offer to reinstate his policy if he provided satisfactory proof was fair. Finally, she found that Mr J's claim remained open. She thought it was fair for Haven to retain his premium to offset the cost of the claim.

Mr J didn't accept this, so the complaint was 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.

First, ombudsmen decisions are published so are written in a way that prevents the customer from being identified. Mr J's personal details – particularly relating to the information Haven requested – are known to both parties so I'm not going to set them out here. If I'm vague about them it's to keep Mr J from being identified not because I've ignored them or think them irrelevant.

Second, I think there's been some confusion about the respective actions of Mr J's insurer (Haven) and his broker. For the avoidance of doubt, this complaint is against Haven and its decision to cancel the policy. While I understand Mr J is upset by his broker's correspondence – for example, it wrongly said he'd *"failed to make all of the payments under the policy agreement"* and initially told him his policy was cancelled because he'd failed to provide proof of address – complaints about this would need to be directed to his broker.

On the face of it, an insurer cancelling a policy with immediate effect because a consumer failed to provide adequate proof of occupation would seem disproportionate. Haven accepts that Mr J provided all other documentation requested, apart from proof of purchase for his vehicle. So we also asked Haven to give us more information about its decision to cancel the policy.

Haven referred to Section M of Mr J's policy when it cancelled his policy. This says:

"At Our option, We or Your Broker may cancel Your policy with immediate effect or void Your policy from inception at any time where there is evidence of fraud or a valid reason for doing so, including but not limited to... If You fail to fulfil broker validation requirements."

Haven cancelled the policy because Mr J *"failed to fulfil broker validation requirements."* It told us it cancelled the policy due to *"non-receipt of an acceptable Proof of Occupation"* as well as *"a full policy review due to the concerns raised"* by a match from a UK fraud prevention agency. I'm satisfied that Haven had to investigate further given this alert.

Haven asked us to keep part of its investigation confidential because it relates to information provided by another insurer. However, I've reviewed this information and I'm satisfied that Haven might reasonably have been concerned by it.

It also found that Mr J had a motor insurance policy cancelled in 2022. He hadn't disclosed this when he applied for his Haven policy. His broker's Statement of Fact asked: *"Have you ever been declined or refused any type of insurance or had any special term imposed?"* He answered *"No."* Again, I understand why Haven might have been concerned by this.

I've reviewed the proof of occupation documents. While I accept it covers the basic requirements Haven set out (*"letter on company headed paper... dated within the last 30 days"*), this isn't a formal document. I think its request for an alternative proof was reasonable.

Haven told Mr J it would reinstate the policy if he provided any other proof of employment, but he didn't provide this. He told us he didn't need to give further proof when asked because Haven wasn't entitled to cancel the policy. I don't think that's a reasonable explanation. Even if Mr J thought Haven's decision to cancel the policy was unfair, he could have provided alternative proof, had his cover reinstated, and then complained about Haven's actions.

In summary, I find that Haven was concerned about an alert from a fraud prevention agency, information provided by another insurer, an undisclosed cancellation, and its doubts about

the proof of occupation Mr J provided. In the circumstances, I think its decision to cancel the policy was reasonable and in line with the policy terms.

Finally, Mr J is unhappy Haven retained his premium. This is because there's an open claim on his policy. Haven told us the third party costs were currently estimated at over £4,000. When a claim is made and covered by the policy, the insurer has fulfilled the contract and isn't liable to return any of those funds. If Haven can recover its costs, Mr J may be entitled to a pro-rated refund of his premiums.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 28 March 2025.

Simon Begley
Ombudsman