

The complaint

Mr S complains that Haven Insurance Company Limited (“Haven”) responded unfairly to his claim on a commercial vehicle insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a double-cab pick-up vehicle, first registered in 2017.

Mr S acquired the vehicle in about 2020.

For the year from early July 2020, Mr S used a comparison website (or “aggregator”) and a broker to insure the vehicle. He took out a comprehensive policy with Haven.

Mr S and Haven renewed the policy for the years from early July 2021, 2022, and 2023.

Mr S reported that in late January 2024, someone had stolen the vehicle from his driveway.

Haven declined the claim and cancelled the policy with immediate effect.

Mr S complained to Haven that it should pay the claim.

By a final response dated 29 August 2024, Haven turned down the complaint.

Mr S brought his complaint to us in September 2024.

Our investigator recommended in mid-December 2024 that the complaint should be upheld. She didn’t think that Haven had provided the information she requested. So she wasn’t satisfied Haven’s actions were in line with the Insurance Act 2015. She recommended that Haven should:

1. reinstate the policy; and
2. consider Mr S’s claim under the remaining terms of the policy.

Haven provided further information. The investigator changed her view. Our investigator didn’t recommend in January 2025 that the complaint should be upheld. She thought that Haven’s actions were reasonable and in line with the Insurance Act.

Mr S disagreed with the investigator’s opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- He refers to the policy schedule and its endorsements 05, 24,32, and 34.
- He is a responsible middle-class man with a disabled child and family to look after.
- He has to pay back a loan on the vehicle.

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.

Consumer Insurance (Disclosure and Representations) Act 2012 ("CIDRA") imposes a duty on a consumer to take reasonable care to avoid making a misrepresentation when taking out a consumer insurance contract.

Insurance Act 2015 imposes a duty on the insured to make a fair presentation of the risk when taking out a non- consumer insurance contract.

From some screenshots, I've seen that in 2020, the website asked Mr S a question as follows:

"What is the van used for?"

I'm satisfied that this was a clear question.

I find that Mr S selected an answer as follows:

"Personal use only"

That is why Haven issued a statement of fact document including the following:

"Nature of this driver's use of this vehicle? Social, Domestic And Pleasure"

It is also why Haven issued a certificate of insurance including the following:

"7 Limitations as to use

Use only for social, domestic and pleasure purposes, excluding use by any person for traveling to and from his/her place of work/ business or study..."

From what Mr S said during the claim, he had always intended to use the vehicle in connection with his work as an employee in the construction industry.

I find it likely that the policy was a consumer insurance contract. I find that Mr S breached his duty to take reasonable care not to make a misrepresentation. Alternatively, if it was a non-consumer insurance contract, then I find that he breached his duty to make a fair presentation of the risk.

I accept Haven's evidence that if Mr S had said that he intended to use the vehicle for work, then it wouldn't have offered him a policy on the same terms. So I accept that Mr S made a qualifying misrepresentation under CIDRA. Alternatively I find that he made a qualifying breach under the Insurance Act.

As Haven had asked Mr S about his intended use of the vehicle, he ought reasonably to have known that this was relevant to Haven.

Mr S told our investigator that he used the vehicle to pass by the work site whilst on the way to personal appointments. In my view that demonstrates that in 2020 he either didn't care whether his statement about his use of the vehicle was untrue or misleading, or he knew that it was untrue or misleading.

So I find that Mr S had made a reckless or deliberate qualifying misrepresentation under CIDRA about his use of the vehicle. Alternatively I find that he made a reckless or deliberate qualifying breach under the Insurance Act.

So I consider that – under CIDRA or the Insurance Act – Haven was entitled to the remedies of treating the policy as void from the start, declining the claim and keeping the premiums.

The policy schedule included endorsements including the following:

“005 Goods in Transit are not covered

...

024 Overnight Parking If the vehicle on this insurance is damaged or stolen overnight and not kept in the declared locked building or compound, private driveway or carport your claim will be declined.

...

032 Radius of Use Cover for business use including hire and reward is limited to 100 miles from the specified risk address.

...

034 Tools left in the vehicle are not covered”

I don't consider that the endorsements 005 and 034 could possibly help Mr S. And I consider that endorsements 024 and 032 don't help Mr S as his policy was void.

I don't consider that Haven treated Mr S unfairly. I say that notwithstanding the financial impact that the lack of insurance will have on Mr S and his family.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Haven Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 March 2025.

Christopher Gilbert

Ombudsman