

## **The complaint**

Mr S is unhappy about how Acorn Insurance and Financial Services Limited trading as Haven Insurance (Haven) handled his motor insurance policy when he changed his car. And that this has meant his car was seized by police and crushed.

## **What happened**

Mr S had a motor insurance policy with Haven. In May 2020, Mr S said his car, registration ending \*0ES was seized and crushed by the police. After acquiring a new car, registration ending \*XYO, Mr S asked Haven to update his motor insurance policy with his new car details.

Haven told Mr S he needed to pay £44.50 for the change. Mr S made the payment but said he needed the policy to include business use. Mr S said the police again seized his car and it was also crushed as the Motor Insurance Database (MID) didn't show his car \*XYO as being insured. Mr S said he'd another car seized by the police in September 2020. But this car was returned to him as the MID check showed it was insured. Mr S complained to Haven about failing to update the MID for his car \*XKO.

Haven said the MID was checked for car \*0ES on 8 May 2020. This confirmed the car was insured, but they were told it was being used for business use. Mr S' policy was for social, domestic and pleasure purposes only. And so wasn't fully insured for what he was using it for.

Haven said \*XYO was seized by the police on 11 July 2020, but when the MID was checked it wasn't showing as being insured as it hadn't been updated with Mr S' new car details, which they accept it should have been. But also said they couldn't find any contact from Mr S asking for insurance documentation to show the police he had valid insurance to prevent any further action. Mr S' car was crushed 7 August 2020.

When another car of Mr S was seized by the police the MID had been updated and showed he had insurance cover. Haven said they'd paid Mr S the impound costs for this car £310. But on review saw they shouldn't have paid these as the MID was up to date. But agreed for Mr S to keep the payment as a gesture of goodwill. They also refunded the £44.50 change of details payment for \*XYO.

Mr S wasn't happy with their response and referred his complaint to us.

Our investigator said when Mr S was changing the details on his policy, he said he needed to insure \*XYO for business purposes. Haven advised Mr S in May 2020 that he needed to apply for the change, but he hadn't done this. So she didn't think Haven had caused Mr S' car to be seized and crushed.

Mr S didn't agree and has asked for an ombudsman 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'm not upholding this complaint. I'll explain why.

The Road Traffic Act (1988), (RTA) makes it a legal requirement for all vehicles used on the road to be insured. The Continuous Insurance Enforcement Regulations (2011) also makes it compulsory for all motor vehicles to either be insured or declared off the road through a statutory off road notification (SORN). If a vehicle isn't insured or declared as SORN, penalties can apply. When selecting a policy, a consumer will also need to choose what use they need the car to be covered for. A car should be insured for social, domestic and pleasure only, or additional cover can be added for commuting or for business use.

Mr S' motor insurance policy ran from July each year. I can see Mr S insured his car \*OES for social, domestic and pleasure but not for commuting or for any business purpose. And this is what a check on the MID showed. But the police said Mr S was using his car for delivering food, and so needed to be insured for business purposes. Mr S' policy details what isn't covered and says:

*"Using the car for a purpose not specified in the certificate or policy schedule."*

The police seized Mr S' car in May 2020 and said it was being used to deliver takeaway food. As Mr S didn't have business use cover, he would have been using his car for a purpose that wasn't covered under his policy. So, Mr S' car wasn't fully insured. And the police had the car crushed the same month. This was a decision taken by the police and it would be for Mr S to determine the precise reason for their action. But the information on the MID was correct.

Later in May 2020, Mr S acquired another car \*XYO. And he asked Haven to amend his insurance details. Haven charged Mr S £44.50 to change the details from \*OES to \*XYO. A few days later after making the payment Mr S said he needed his policy to cover business use, and Haven advised him he needed to make an on-line application for this to be done. But I can't see this happened.

I can see Haven sent an email to Mr S, 02 July 2020 that said *"its time to renew your motor insurance policy"* It also outlined what cover Mr S had, and the need for him to contact if his circumstances or level of cover needed to be changed. The email clearly shows the car being covered was still \*OES and that the change to \*XYO hadn't been made. The email also said the policy would automatically renew without any contact from Mr S. I haven't seen any evidence that Mr S contacted Haven, and 11 July 2020, Haven sent Mr S his new certificate of insurance, but again this clearly showed it was for his previous car \*OES and not for his current car \*XYO.

The police didn't seize Mr S' car until 17 July 2020 and it wasn't crushed until August 2020. I know Mr S asked Haven to update his insurance policy in May 2020 but I think he would have been aware he didn't have the correct documentation to show his car \*XYO was insured at the time it was seized. And I also think there was enough time for Mr S to check with Haven as to the insurance cover he had for \*XYO, given he had paid £44.50 for his details to be changed. And if he had Haven could have shown he'd changed his insurance cover from \*OES TO \*XYO before the car was seized. But I can't say this would have prevented his car being crushed as his policy covered him for social, domestic, pleasure and commuting. But still not for business purposes. So, I can't say Haven by not updating the MID was the cause of Mr S' car being destroyed.

Mr S had another car seized by the police in September 2020, for which he incurred impound costs of £310, that Haven has reimbursed him for. As the insurance information for this car was up to date, there wasn't any onus for Haven to pay these costs. But they have agreed for Mr S to retain the payment in recognition that they hadn't updated the MID for his previous car. Haven has also refunded Mr S the £44.50 he'd paid to change his insurance details.

I can understand Mr S' frustration as Haven should have updated the MID to show \*XYO was insured. But as outlined above I can't hold Haven responsible for Mr S' car being destroyed. And Haven has shown that if Mr S had asked for insurance documentation, they'd have shown \*XYO was covered from 15 May 2020 to 28 August 2020 for social, domestic, pleasure and commuting purposes. So, it will be for Mr S to decide whether he accepts the payment made by Haven to cover impound charges for his other car and the £44.50 he'd paid for changing his car details.

On checking the MID I can see that Mr S now has two policies on his latest car as he has taken out extra insurance cover.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 April 2021.

Anne Scarr  
**Ombudsman**