

## **The complaint**

Mr A complains Haven Insurance Company Limited unfairly refused to settle his commercial motor insurance claim.

## **What happened**

In October 2019 Mr A made a claim on his Haven commercial motor insurance policy. He had a collision with a third party whilst driving a van. Haven considered the van to be a total loss. But it refused to settle Mr A's claim for it. It said he hadn't shown he had an insurable interest in the van – as he wasn't its owner.

Haven responded to a complaint from Mr A. It said Mr A had claimed when taking out the policy that he was the registered keeper and owner of the van. But the vehicle's registration documents had shown his brother to be the keeper. It said Mr A hadn't shown he was the owner so had been unable to provide proof he had an insurable interest in it. So it continued to refuse to deal with his claim. Mr A isn't happy with that. He wants Haven to settle the claim and to cover financial losses resulting from him being without a van.

Our investigator said Haven hadn't acted unfairly or unreasonably by not settling the claim. Mr A didn't accept that, so the complaint was passed to me. In July 2021 I issued a provisional decision for the complaint. As it forms part of this final decision I've copied it in below.

In it I explained why I didn't intend to interfere with Haven's decision not to pay Mr A's claim. I also invited him and Haven to provide any further information they would like considered before I issue a final decision. Haven had nothing to add. Mr A, not accepting my findings, provided a range of comments.

### ***What I provisionally 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 don't intend to interfere with Haven's decision not to pay Mr A's claim.*

*Essentially Haven's refusing to pay Mr A's claim as it feels he doesn't have an insurable interest in it. Insurable interest is the legal right to insure something that arises out of a financial relationship recognised at law between the insured (in this case Mr A) and the subject matter of the insurance (the van).*

*The van was subject to a finance arrangement. It seems that was in the name of Mr A's brother's limited company. It's not disputed that the brother made the finance payments. It's accepted the van was registered at some point in Mr A's name.*

*From what I've seen Haven's been given different explanations of Mr A's relationship with the van. Mr A hasn't denied he said, when applying for cover, that he was the registered keeper and owner. Looking at the information provided by Haven I'm*

*satisfied that he did. During the claim he seems to have initially told Haven he bought the van from his brother. He said he pays his brother monthly for the purchase.*

*But Haven's records show Mr A's brother as explaining that he's the owner of the van. He said Mr A doesn't pay him anything for it. He explained that the van was registered in Mr A's name because that was required for his employment. After that Mr A and his brother provided Haven with a signed agreement dated from before the claim. This says the pair agreed for Mr A to hire the van for a monthly fee.*

*Haven asked to see some evidence of Mr A having made payments to his brother for the van. Its records show him saying that wouldn't be possible as he paid by cash. But a few months later he told this service he hadn't made any payments.*

*Considering what's been provided it's fair to say Mr A wasn't the owner of the van when taking out the cover or at the time of the collision. However, insurable interest isn't restricted to just the owner of an insured item. There are other possible relationships that create an insurable interest – including bailment for example.*

*Bailment comes about when property is delivered by a person to another for a particular purpose but without a transfer of ownership. I accept it's possible Mr A had that type of relationship with the van. But even if I felt he did I still wouldn't say Haven's decision not to pay his claim was unfair or unreasonable.*

*I've seen some of Haven's underwriting criteria. Having considered it I'm satisfied the insurer wouldn't have offered Mr A cover at all if he had given, when taking out the policy, an accurate explanation of his relationship with the van. That would have included explaining that the van was subject to a finance agreement in his brother's limited company's name – and that his brother (presumably on behalf of his limited company) had allowed him to borrow it.*

*Considering Haven wouldn't have provided cover if it had been aware of the true relationship, I don't think it would be fair or reasonable to require it to pay Mr A's claim for damage to the van.*

*Mr A's complained that Haven told him it had repaired the van only for him to later find out that was a mistake – it had actually been deemed a total loss. Even if that did happen, I wouldn't require Haven to pay him compensation. Ultimately, I can't see what difference it would have made to him when I feel it didn't do anything wrong by not dealing with his claim.*

*Haven returned the damaged van to the finance company who then sold it. Mr A's unhappy about that. He wants the van returned to him. Haven says it tried to contact him before passing the van to the finance company – who it considers the legal owner – but didn't get a response. I can't say Haven acted unfairly or unreasonably there.*

### **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.

As this is an informal service, I haven't responded here to each point Mr A's made in response to my provisional decision. But I'd like to reassure him I've considered everything he's said. I accept this will come as a great disappointment to him, but his latest information

hasn't changed my position. I'm not going to interfere with Haven's decision not to pay his claim.

It's unfortunate that Mr A is struggling to meet his brother's demands around replacing the van. But that doesn't mean Haven's decision was unfair or unreasonable.

Mr A denies that Haven tried to contact him before returning the van to the finance company – who it considered the vehicle's legal owner. But even if I agreed that Haven hadn't tried to contact him, I still wouldn't say it had caused him to lose out.

The van was a total loss. It seems its salvage was sold by the finance company. It's likely the proceeds were deducted from the finance balance – meaning Mr A's brother had to repay less to the finance company – and any debt of Mr A's to his brother was reduced. If that didn't happen then that's something for Mr A's brother to discuss with the finance company. I can't consider it in this complaint against Haven.

The vehicle was considered unroadworthy. It required almost £10,000 of repairs. I haven't seen anything to persuade me that the financial outcome for Mr A would have been better if the van had been returned to him.

Mr A says he's being asked to pay for the cover even though Haven hasn't paid his claim. I've already said I don't think that decision was unfair. It seems Haven's settled a reasonably sized claim from a third party involved in the collision. Considering that I can't say it's unfair that Mr A's required to pay the premiums for his policy. If he's unhappy about the manner in which his insurance broker has asked him to make payment then he could consider making a complaint to that business.

### **My final decision**

For the reasons given above, I'm not requiring Haven Insurance Company Limited to pay Mr A's claim or do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 1 September 2021.

Daniel Martin  
**Ombudsman**