

The complaint

Mr S complains, through his representative, that Haven Insurance Company Limited (Haven) have unfairly declined his claim for the theft of his vehicle and cancelled his commercial vehicle insurance.

References to Mr S, or his representative, will include the other.

What happened

Mr S held a commercial vehicle insurance policy with Haven. During the term of the insurance he changed vehicles and updated Haven with the change.

After the changes were made, his vehicle was stolen overnight whilst it was parked on the road outside his address. He made a claim on his insurance policy with Haven. The vehicle was later recovered but it had sustained some damage.

Haven did not pay Mr S's claim. They also cancelled his policy. It said that within Mr S's policy details it stated that he kept his vehicle in his drive-way over night and that at the time of the theft it had been parked on a public road outside his house. Haven said that this was a breach of its terms and conditions.

Mr S complained that Haven had been unfair. He said that when he took the policy out he had told Haven that his vehicle was kept on a public road. He said that when he updated his policy, when he bought the new vehicle, he was not asked where he would keep it overnight and so was not aware that this had changed on his policy until he made his claim when the vehicle was stolen.

Mr S wants his claim to be dealt with and wants compensation for the distress caused.

Haven maintain that Mr S had informed them when he changed his vehicle that it would be kept on the drive-way at the home address of the policy. It said that he had agreed to these terms and conditions and that it could not reinstate his policy. The policy would remain cancelled and his claim would not be paid.

As Mr S's representative was not happy with Haven, they brought his complaint to our Service.

Our investigator looked in to the case and upheld Mr S's complaint as they did not feel that Haven had been fair. As Haven are unhappy with our investigator's view the case has been brought to me for a final decision to be made.

In my provisional decision I said

Haven said they cancelled Mr S's policy due to his misrepresentation of where the vehicle would be parked overnight.

Mr S had to continue to pay for the cost of his cancelled policy and in addition he had to take out a new commercial vehicle policy to cover the recovered vehicle.

Haven say that when Mr S's policy started he disclosed that his vehicle was kept overnight on a public road. It said that during the term of his policy he changed vehicles and he did this by completing an online change of vehicle form through its brokers online portal, and that he also contacted it on webchat to confirm that his new vehicle was covered.

Haven say that when Mr S added the details of his new vehicle via the online change of vehicle form that he also changed the overnight location of the vehicle to be parked in his drive-way.

Mr S agreed that that he completed a change of vehicle form on its online portal and said that he was asked for the details of the new vehicle but was not asked where it would be parked overnight. Mr S provided blank screenshots from the online portal showing this was not asked. Haven disagreed and said that on the date that Mr S made the adjustment the online portal did include the question about where the vehicle was parked.

On the day that Mr S went to collect his new vehicle he contacted Haven through the online chat to check that his insurance was in place before he drove it.

During the online chat the Haven agent explained to him that his policy had been suspended and it would need to be reinstated first before he could change the details of the vehicle to be covered. Initially he was told that it would take 48 hours to reinstate. The agent managed to organise immediate reinstatement of his policy and confirmed the registration details of the new vehicle. I have seen the evidence of the content of the online chat and Mr S was not asked where he would keep the vehicle overnight.

The policy was not changed when Mr S completed the online change of vehicle form. The policy was only changed after the chat agent had organised for it to be reinstated. I can see that in the statement of fact that was produced after the online chat had started, there is a section detailing the address at which the vehicle is normally kept and here the overnight location is still stated as kept on public road.

Screenshots provided by Haven show that on the online change of vehicle form says that the vehicle was kept on the drive-way over night but Mr S does not remember this being asked. The update to his policy was not updated from the submission of this form as the policy was suspended, it was updated by the chat agent the day after. So I think that the online chat has to be accepted as the source of information that updated the policy.

As the chat agent asked a number of questions about the vehicle I think that it is reasonable to accept that confirmation of anything that was to change in the policy should have been confirmed in this chat.

Therefore I've not been persuaded that Mr S made any deliberate misrepresentation about where his vehicle was going to be parked overnight in this case. The correct response to a qualifying misrepresentation under insurance law is for an insurer to avoid a policy and then any claim is automatically not covered. Cancellation of a policy is from that point onwards and means that any prior claim remains to be dealt with.

In any event I do not think that Haven have treated Mr S fairly and so I think it has incorrectly cancelled his policy and his claim should be paid.

Therefore, I intend to uphold Mr S's complaint.

Responses to my provisional decision

Haven did not respond.

Mr S's representative did not respond.

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 there has been no response from Mr S's representative or Haven, I maintain my provisional decision.

My final decision

I uphold Mr S's complaint.

I require Haven Insurance Company Limited to

1. Pay Mr S's claim in line with the terms of his motor insurance policy.
2. Pay Mr S the cost of the alternative insurance policy he had to take out to cover his vehicle after it cancelled his policy. This refund should cover the time it was taken out up to the date Mr S's Haven policy would expire – 26 August 2021.
3. Remove any cancellation markers from Mr S's records – on both internal and external databases.
4. Pay Mr S £350 in compensation for the distress and inconvenience caused by the unfair cancellation of his policy. Haven Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this, it must also pay interest 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 S to accept or reject my decision before 6 December 2021.

Sally-Ann Harding
Ombudsman