

The complaint

Mr B complains that Haven Insurance Company Limited cancelled his motor insurance policy. He wants it to remove records of the cancellation.

What happened

Mr B took out a policy with Haven and it requested by letter information from him to validate the policy or it would cancel in seven days. Haven sent Mr B an email saying that an important letter had been sent to him. Mr B didn't receive the letter and so he called Haven to ask what it required. But Haven couldn't provide the information over the phone, and it said it resent the letter. Mr B didn't receive this either. Haven then emailed and texted to say the policy was now cancelled. Mr B was unhappy with this.

Our Investigator recommended that the complaint should be upheld. He thought Haven should have contacted Mr B by two methods, not just one. He thought that if Haven had emailed Mr B he would most likely have responded to its requests for proof of his address. So he thought Haven had unfairly cancelled his policy. He thought Haven should remove all records of the cancellation and provide Mr B with a letter to confirm this. He also thought Haven should pay Mr B £300 compensation for his trouble and upset.

Haven replied that it had followed its standard procedure for requesting validation documents. It asked for an Ombudsman's review, so the complaint has come to me for 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.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

I think it was fair and reasonable, and in keeping with standard industry practice and the policy's terms and conditions for Haven to request information from Mr B to validate his policy. In this case, Haven wanted to validate Mr B's address. Haven said its procedure is to ask for validation information by post only. But I'm not satisfied that this was fair and reasonable.

Firstly, I think Haven could have easily asked Mr B for information to validate his address rather than by expecting him to receive and respond to its letter. And I can see that the letter was sent by ordinary post rather than by recorded delivery, which would have ensured that it arrived at the correct address.

Secondly, our approach is that notices of cancellation should be sent to consumers by two different means. I can see that Haven was able to email and text Mr B. So I can't see why it couldn't have used one of these methods as well as a letter.

I'm satisfied that Mr B tried to provide Haven with the requested information. When he received the email telling him to expect the important letter, he called Haven when it hadn't

arrived. Haven then had the opportunity to explain what was required. But it didn't do this. It told Mr B to await its letter.

When this still hadn't arrived, Mr B called Haven again. The letter was resent. But the policy was cancelled the next day and Mr B was then notified of this. So resending the letter wouldn't have allowed Mr B sufficient time to respond to Haven's request in any case.

Haven said Mr B hadn't asked for further time to provide his information. But I don't think this is relevant as Mr B didn't know what was required. Mr B had responded quickly to Haven's email. And I think that if Haven had used other means to communicate with him besides its letter he would have had an opportunity to respond. So I think Haven cancelled Mr B's policy unfairly.

When a business makes a mistake, as I think Haven has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

To restore Mr B's position, I think Haven should remove any records of the cancellation and provide Mr B with a letter to confirm this. Mr B can then ask his current insurer to recalculate his premium and provide any applicable refund.

Mr B has been caused significant trouble and upset by the cancellation of his policy. He was unable to use his car and missed important commitments. He had to use his savings to pay for more expensive cover at a time when he needed the money for his family. The Investigator thought Haven should pay Mr B £300 compensation for this. And I think that's in keeping with our published guidance for the impact caused.

Putting things right

I require Haven Insurance Company Limited to do the following:

1. Remove records of the cancellation from any internal and external databases where it's been recorded and provide Mr B with a letter to confirm this.
2. Pay Mr B £300 compensation for the distress and inconvenience caused by its unfair cancellation of his policy.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Haven Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 June 2023.

Phillip Berechree
Ombudsman