

## **The complaint**

Ms C and Mr T complain about Haven Insurance Company Limited's (Haven) handling of recording a claim made on their home insurance policy.

Mr T has been the lead complainant on this complaint, so for ease I will mostly refer to Mr T.

## **What happened**

In July 2020, Mr T made a claim for potential subsidence. The insurer undertook a survey but said there was no evidence of subsidence, but it found drains damage due to root ingress. Mr T was invited to make a new claim for accidental damage to underground pipes, but this too was declined.

When Mr T renewed his insurance in 2021 both claims were showing on his statement of fact under the history of claims with a status of 'no claim made - zero loss'. Mr T's no claims discount (NCD) was also increased from five years to six years and his premium reduced, he didn't think to query why there were two claims recorded for one incident.

In 2022, when Mr T decided to change his provider, he did not tell it about any previous claims/losses as the documentation he had received, said 'no claim made – zero loss' and he also thought as he had remedied the situation himself and had at least six years NCD, he wasn't required to disclose anything.

Unfortunately, when Mr T made a claim with his new provider which I'll refer to as "Insurer-2" it was rejected, and the policy was voided due to non-disclosure of a subsidence claim.

So, in summary Ms C and Mr T feel that Haven produced a misleading statement of fact document, which contributed to them not disclosing the correct information to Insurer-2. The information also being incorrectly recorded on Claims and Underwriting Exchange database (CUE) has resulted in their claim being declined and their policy voided.

Haven accepts it made an error, and it shouldn't have recorded the incident as two claims. Instead, it should've been recorded as one claim for accidental damage. It has now amended CUE to reflect this.

Our Investigator upheld Mr T's complaint, he felt the repercussions were significant and said Haven should pay Ms C and Mr T £500 compensation for the trouble and upset it caused.

Haven hasn't accepted the recommendation as it feels Ms C and Mr T still had a responsibility to disclose the accidental damage claim to their new insurer regardless of its error on the statement of fact and CUE. Haven says that by not doing this, Ms C and Mr T still misrepresented to Insurer-2, meaning the repercussions of this would be the same as the ones they have already faced and so Haven doesn't believe its actions have put Ms C and Mr T in any worse off a position than they're in now.

The complaint has been passed to me, an Ombudsman, to make 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.

It isn't disputed in this case that Haven has made errors and I am pleased to see it has remedied this by issuing a new statement of fact and rectifying CUE. Mr T has accepted the compensation suggested by our Investigator for the distress and inconvenience these errors caused, but Haven disagree for the reasons already set out above.

I've carefully considered Haven's points about Ms C and Mr T misrepresenting, but from the information I have available, I'm satisfied that it was the recording of a subsidence claim on CUE, which led to Ms C and Mr T's claim with Insurer 2 being declined and the associated policy being voided. This is further supported by the fact that now CUE has been rectified to show only the accidental damage claim, Insurer-2 has reinstated the policy. So, I'm not persuaded by Haven's argument that regardless of its error Ms C and Mr T would've still been in the same position. I'm more persuaded that its error led to a level of avoidable upset and stress, and I agree that it should pay compensation to recognise the impact of this.

Ms C and Mr T have explained that the worry and stress Haven's error caused was extreme, as they potentially had a subsidence claim that wouldn't be covered and so they would be responsible for the significant costs associated with remedying this. This was alongside the worry of not being able to get or afford future insurance due to a voided policy. I'm satisfied £500 compensation fairly recognises the impact of this trouble and upset caused.

## **Putting things right**

For the reasons given above I instruct Haven Insurance Company Limited to pay Ms C and Mr T £500 compensation. It should pay this compensation within 28 days of the date on which we tell it Ms C and Mr T accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

## **My final decision**

For the reasons given above, I uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C and Mr T to accept or reject my decision before 14 March 2024.

Angela Casey  
**Ombudsman**