

The complaint

Mr R has complained about Haven Insurance Company Limited's decision to reject his claim under his car insurance policy.

What happened

Mr R said his car was stolen in November 2022. His car was involved in a collision on the night he said it was stolen.

Haven said there were inconsistencies in the information Mr R provided and said it wouldn't deal with his claim. It cited its fraud exclusion.

Mr R brought his complaint to us. He was unhappy that Haven had arranged for his car to be sold for salvage.

Our Investigator found there wasn't enough from Haven to show it had reasonably applied the fraud exclusion in reaching its decision to decline the claim. So he recommended Haven reconsider Mr R's claim under the remaining terms and conditions of the policy.

The Investigator thought it was fair for Haven to arrange salvage due to the car being categorised as 'B' for breakage due to the level of damage caused in the collision.

Mr R accepted the Investigator's findings. Haven didn't agree. So the case has been passed to me 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.

Haven can cancel a policy if it believes a condition of the policy has been breached. In this case, Haven say, based on the evidence it has, it's likely Mr R did breach the fraud condition of the policy. I've checked the terms and conditions of the policy in relation to this, and they say:

"Fraud

1. If You or anybody insured by this policy makes a claim knowing it to be fraudulent, false or exaggerated, provides false documents or makes false statements in support of a claim, this insurance will be void and all claims will be forfeited.

2. In the event of fraud, We will retain all premiums paid."

It isn't for us to decide whether a policyholder has acted fraudulently or not. Instead, I need to decide if Haven acted reasonably on raising the fraud condition and taking the action it has. So I've looked at what Haven has taken into account, and whether I think this was fair.

Haven say that the information Mr R provided in relation to what happened is false. Given the serious consequences of cancelling a policy for this reason, we think an insurer should provide persuasive evidence to demonstrate its decision was reached in a reasonable way.

Mr R reported that he spent the night at a relative's house, went to sleep in the evening and when he woke the following morning and looked outside, his car was gone. He said he had

one car key and reported a burglary to the property of the key as it was missing the following morning.

Mr R has provided a copy letter from the police dated 30 November 2022. This letter says they are sorry he has been a victim of crime, and that following an investigation it is unlikely to be able to identify those responsible. It provides a crime reference number and states the case is now closed. It isn't clear if this relates to the burglary at his relative's house which Mr R says was reported, or the theft of his car which he says he also reported to the police.

Witness statements and CCTV footage provided do not identify Mr R as the driver involved in the incident.

Haven has provided a copy of a collision report from the police. This doesn't identify Mr R as the driver of the car involved in the collision, nor does it show any intention to follow up with Mr R.

I haven't seen – nor has Haven highlighted – any inconsistencies in Mr R's account. I don't consider the direction the car was travelling in when found at the collision site carries any evidential weight.

In its response to the Investigator's findings, Haven has mentioned other issues and concerns which it has not yet set out to Mr R that I can see. So it cannot rely on these concerns as reasons to cite the fraud exclusion, cancel the policy and not meet the claim in line with its final response letter dated 28 September 2023.

So I don't think Haven has fairly applied the fraud exclusion in reaching its decision to decline Mr R's claim. This means I think it should reconsider his claim in line with the remaining terms and conditions of the policy.

My final decision

My final decision is that I uphold this complaint. I require Haven Insurance Company Limited to reconsider Mr R's claim in line with the remaining terms and conditions of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 16 February 2024.

Geraldine Newbold
Ombudsman