

The complaint

Mr H complains that Haven Insurance Company Limited (Haven) have unfairly settled a third party's claim on his motor insurance policy and cancelled his policy.

What happened

In October 2024 Haven were made aware by a third party's insurance company Mr H's vehicle had been involved in an accident. Mr H told Haven his vehicle had been stolen at the time of the incident but he knew who had taken it. Mr H told Haven he was asleep in the passenger seat of his vehicle when the third party had taken it but he didn't remember the incident clearly due to ill health. Haven settled the claim made by the third party. It said Mr H had failed to safeguard his vehicle and he had failed to provide it with the information it needed to dispute liability. It also cancelled Mr H's policy as it said Mr H had failed to safeguard his vehicle. Mr H didn't think this was reasonable and so raised a complaint.

Haven didn't uphold Mr H's complaint. It said it was required to pay the third party's claim based on the Road Traffic Act (1988) (RTA) and it was unable to recover its costs. It said it didn't deal with Mr H's claim because Mr H was asleep in the passenger side of his vehicle whilst it was unlocked and the keys were in the vehicle. It said Mr H had failed to safeguard his vehicle. Mr H didn't think this was reasonable and so referred his complaint to this Service. He said Haven hadn't carried out an appropriate investigation and hadn't taken into consideration his ill health before settling the third party claim.

Our investigator didn't uphold Mr H's complaint. She said she thought it was reasonable for Haven to settle the claim in the way it had done as it had a responsibility to settle the third party claim under the RTA. She said she thought Haven had fairly cancelled Mr H's policy under the terms of his policy based on what Mr H had said had happened.

Mr H didn't agree with our investigator. He said Haven had failed to carry out an appropriate investigation. He said his vehicle wasn't damaged and no evidence had been provided to show his vehicle had been involved in an accident. He also said the details of his vehicle were different to the one the police had said was involved in the accident.

As Mr H didn't agree with our investigator, the complaint 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.

I want to acknowledge I have summarised Mr H's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead I have focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr H and Haven I have read and considered everything that's been provided.

The terms of Mr H's policy allow Haven to take over and conduct the defence or settlement

of any claim made under the policy. So it was entitled to settle the claim on what it believed to be the best terms and it had final say on how to settle a claim. However it needed to exercise this right fairly and reasonably, taking into consideration the evidence available to it.

Haven have said as Mr H's insurer it was required to cover the damage to the third party's vehicle under the RTA even though Mr H wasn't driving the vehicle at the time. Mr H has said there is no evidence his vehicle was involved in an accident and Haven didn't give Mr H sufficient time to provide information following his ill health.

Based on the evidence provided I'm satisfied Haven took into consideration all of the evidence available to it before settling the third party's claim and I don't think it was unreasonable to do so.

Mr H hadn't denied an accident had occurred, just that his vehicle had been taken without his permission by a third party he knew. I don't think it was unreasonable for Haven to take into consideration its responsibilities under the RTA when settling the third party claim. It did attempt to make a recovery of these costs from the driver of Mr H's vehicle but was unsuccessful in doing so.

Mr H has said he doesn't think Haven provided him sufficient time to provide further evidence, especially given his ill health. However based on the evidence provided I think Haven gave Mr H opportunity to provide further evidence before it settled the third party claim. Mr H has said his vehicle has no damage on, however when he first spoke to Haven he said he noticed damage to the front of his vehicle. I can also see more recently he said he noticed scratches to his vehicle.

Mr H has said his vehicle is different to the one the police and Haven said was involved in the accident. The evidence provided shows the vehicle involved in this incident was insured by Haven at the time of the accident and so I don't think Haven have made an error by dealing with this claim.

Haven have declined to deal with any claim for damage to Mr H's vehicle, and have cancelled the policy as it says Mr H failed to safeguard his vehicle.

Section B of Mr H's policy relates to damage to the insured vehicle. This section states:

'Section B does not cover:

3. Damage or loss to Your Car, spare parts, Accessories or Personal Belongings by theft, attempted theft or unauthorised use when:...

a Your car is unlocked; or

c the keys (or other form of Car entry device) have been left in Your Car; or

e you have not taken other reasonable precautions to protect Your Car.'

The claim notes provided by Haven show Mr H told it he was asleep in the passenger seat of his vehicle with the vehicle unlocked when a third party has entered and driven it without his permission. Mr H told Haven the keys were on the gear box. Given the circumstances Mr H has described I don't think it was unreasonable for Haven to rely on the policy exclusions to decline to cover Mr H's claim for damage to his vehicle. Mr H has told Haven his vehicle was unlocked and the keys had been left in his vehicle. I don't think it's unreasonable for Haven to conclude Mr H hadn't taken reasonable precautions to protect his vehicle.

I acknowledge Mr H has said he doesn't remember the incident well following his ill health. However I don't think it's unreasonable for Haven to consider Mr H's testimony as to how the incident happened, especially since it isn't drastically different to the circumstances he reported to Haven prior to him becoming unwell.

The terms of Mr H's policy explain Haven can cancel the insurance policy with immediate effect if Mr H is in breach of any Terms, Exceptions, Exclusions, Conditions or Endorsements.

The general conditions of Mr H's policy require Mr H or anyone left in charge of Mr H's vehicle take all reasonable steps to prevent loss or damage to it. As mentioned Mr H has told Haven he was asleep in his unlocked vehicle, with the keys in the vehicle. Based on this I don't think it's unreasonable for Haven to say Mr H hadn't safeguarded his vehicle, and so the policy terms allow it to cancel Mr H's policy.

I know this will be disappointing for Mr H, and I naturally empathise with the difficulties Mr H has had following this incident. However for the reasons I've explained I don't think Haven have acted unreasonably in the way it settled Mr H's claim, or by cancelling Mr H's policy and so I don't require it to do anything further.

My final decision

For the reasons I've outlined above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 December 2024.

Andrew Clarke
Ombudsman