

The complaint

Mr D complains that Haven Insurance Company Limited (“Haven”) mishandled his van insurance policy.

What happened

The subject matter of the insurance was a van that had first been registered in 2005.

Mr D acquired the van.

Mr D used an insurance intermediary or broker to insure the van on a comprehensive policy with Haven for the year from mid-August 2023. The policy covered driving for social, domestic and pleasure (“SD&P”).

The yearly premium was about £1,500.00. The broker charged an administration fee of about £90.00. Mr D paid a deposit of about £250.00. For the balance, he agreed to pay a finance company instalments of about £130.00 including interest.

Mr D didn’t report to Haven about any incident in late October 2023.

On about 10 November 2023, a third party’ insurer contacted Haven, claiming that Mr D had reversed into the third party’s vehicle at a location not far from Mr D’s address.

By early December 2023, Haven decided to settle the third party’s claim. Haven also decided to cancel Mr D’s policy.

Mr D complained to Haven about the outcome of the third party’s claim, about the cancellation and about a claim that he owed about £950.00 for the policy.

By a final response dated 28 December 2023, Haven turned down the complaint. It said that it would be hard to defend the third party’s claim because of the reported location of the incident and the fact that the third party had Mr D’s full name, contact details and vehicle registration. Haven also said that it had cancelled the policy as a result of Mr D’s abusive emails.

Nearly six months later, on 27 June 2024, Mr D brought his complaint to us.

Our investigator didn’t recommend that the complaint should be upheld. He thought that there was no reason to disagree with how Haven decided to settle the claim. He didn’t think it was unreasonable for Haven to decide to cancel the policy.

Mr D disagreed with the investigator’s opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- He was new to driving.
- His contact details are online for all to see.

- The damage to the rear bumper of the van is rust damage.
- Haven said it was cancelling the policy because he was using the vehicle for business purposes. That wasn't correct.
- Then Haven sent him that massive bill.
- As for abusive messages, maybe he went too far. But that wasn't the reason for the cancellation.

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's policy terms included the following:

"Section L Claims notification and co-operation

...

Conduct of claims/subrogation

1 We are entitled to take over any third party claim against You... and to conduct the defence or settlement of any such third party claim in Your name...

...

5 Where We consider it appropriate, We may admit liability on Your behalf... We have full control of all claims covered by this insurance."

The effect of that term is that – on a question of liability to a third party – Haven's view would prevail over its policyholder's view.

That's not unusual in motor insurance policies. However, I will consider whether Haven treated Mr D fairly.

The third party made a claim and Haven had to decide whether to accept it or to defend it.

Haven took into account Mr D's denial of involvement in any incident. Haven also noted that Mr D complied with its request for photos of his van including the rear.

Haven also instructed a vehicle assessor to inspect the van. Haven noted that the assessor was finding it difficult to arrange an inspection with Mr D. I accept that Haven made a decision before any such inspection took place.

However, Haven had reviewed the claim. It noted that the van had damage on the rear. It also noted that the third party reported the location of the incident, which was in Mr D's local area. Also, the third party had details including Mr D's name, van registration and phone number.

I note that Haven decided that the third party's claim would be difficult for it to defend. So it decided not to incur the cost and risk of court proceedings.

I accept that it is possible that the third party got the contact details online. I also accept that it is possible that the damage to the rear of the van was caused by something other than reversing into the third party. However, the third party was saying that Mr D's van had reversed into their vehicle.

Unlike a court, we don't hear evidence from each driver and decide the extent to which either of them is responsible for causing damage. I'm satisfied that Haven weighed up how a judge might assess the third party's claim and Mr D's denial.

I consider that Haven came to its decision fairly and reasonably. I don't consider that Haven treated Mr D unfairly or unreasonably by taking the decision it did. So I don't find it fair and reasonable to direct Haven to change its record of a fault claim against Mr D.

Haven's policy terms also included the following:

"Section M Cancelling your policy

1 This section applies to policies cancelled by You or by Us.

a If at the time of cancellation You or a third party has made a claim or reported an incident which may give rise to a claim under this insurance policy, We will retain the whole premium whilst the claim is in the process of being settled. The claim will be settled for the purpose of this section when a final settlement is made or when We receive notification that a claim by You or a third party will not be pursued further.

b If the claim is settled as non-fault, and subject to payment of any Excess, We will refund a part of the premium according to the number of days remaining before the end of the Period of Insurance from the date of cancellation. If settled as a fault claim and We have incurred costs as a result, then no refund of premium will be given, and the full annual premium will be payable.

...

Cancellation with immediate effect / avoidance

At Our option, We or Your Broker may cancel Your policy with immediate effect or void Your policy from inception at any time where; there is evidence of fraud or a valid reason for doing so, including but not limited to:

...

4 Where We have evidence of abusive or threatening behaviour"

I've added the underlining.

Mr D told us that he used "*the occasional swear word*". I've seen Mr D's email to Haven's claims-handler on the afternoon of 30 November 2023. He describes her by one of the worst possible swear words. That was clear evidence of abusive behaviour and a valid reason for cancellation. I find that this was the reason why Haven cancelled the policy.

Notwithstanding that the policy term said that Haven could cancel with immediate effect, I would've expected Haven to give Mr D seven days' notice in writing to cancel the policy. Indeed, I find it unfair that Haven cancelled the policy without prior notice.

However, I consider that Mr D had brought trouble on himself. Cancellation was inevitable, albeit with seven days' notice. So I don't find it fair and reasonable to direct Haven to make any redress to Mr D for cancelling the policy without prior notice.

The underlined words mean that, following payment of the third party's claim and the cancellation, Mr D had to pay the premium for the full year to mid-August 2024. (That would've been the same whether the cancellation was immediate or on seven days' notice).

I find that, in the usual course of events, the finance company had paid the broker who had paid Haven in full. I don't find that Haven made any unfair act or omission in keeping the premium.

I find that it was the broker who asked Mr D for about £950.00. I don't hold Haven responsible for that.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Haven Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 January 2025.

Christopher Gilbert

Ombudsman