

The complaint

Mr A complains that Haven Insurance Company Limited (Haven) has recorded a fault claim against his taxi insurance policy.

What happened

Mr A had a taxi insurance policy with Haven which covered a vehicle he was using as a taxi.

In December 2022 the insured vehicle was hit by a third-party vehicle that was being pursued by the Police. Due to the damage to the insured vehicle, a claim was made to Haven under the policy and settled as a total loss.

However, the third-party vehicle was uninsured and using fake registration plates. As Haven was unable to recover the claim costs and outlay from the third-party, the claim was recorded as a fault claim against Mr A's insurance policy.

Mr A is unhappy the claim was recorded as a fault claim, so he approached the Financial Ombudsman Service.

One of our investigators looked into things but didn't uphold the complaint. He recognised that the claim had been settled by Haven. However, Haven had been unable to identify the third-party as they were uninsured and using fake registration plates, which meant Haven couldn't recover their outlay on the claim. The investigator said it was fairly recorded as 'fault' as that's how a claim would be recorded when an insurer had been unable to obtain a recovery of their costs.

Mr A didn't agree, so the case was passed 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.

Whilst I appreciate it'll come as a disappointment to Mr A, I've reached the same outcome as our investigator.

I'll also outline here that Mr A has also complained about the increase in his policy premiums since the accident. That is being considered as a separate complaint. My final decision here is about whether Haven has acted fairly by recording the claim as 'fault', which I think they have. I'll explain why.

I recognise that Mr A wasn't responsible for causing the accident, and instead the insured vehicle was hit by an uninsured vehicle with fake registration plates. But, Haven, Mr A's insurer, has dealt with and settled the claim for the damage caused by the third-party. If Haven hadn't, then those costs would have fallen to Mr A to cover/lose. As a result of Haven settling the claim, they've incurred costs. But as the third-party vehicle was uninsured and using fake registration plates, Haven have been unable to recover those costs on the claim.

Where an insurer is unable to recover costs, this would be recorded as a 'fault' claim on internal and external databases. This is the industry standard and indicates whether an insurer has been able to recover costs, regardless of who was actually to blame for the incident. Whilst it is recorded as 'fault', that isn't to say Mr A is solely responsible for what happened, but instead, that Haven was unable to recover all claim costs from a third-party.

Whilst I sympathise that Mr A wasn't responsible for what happened, as Haven have settled the claim and been unable to recover the claim costs, they have fairly recorded the claim as a 'fault' claim on this basis. Therefore, I won't be directing Haven to change this.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 February 2025.

Callum Milne
Ombudsman