

## The complaint

Mr A complains that Haven Insurance Company Limited ('Haven') unfairly increased his motor insurance premiums following an accident that wasn't his fault.

## What happened

Mr A had a specialist motor insurance policy with Haven. In December 2022, he was involved in an accident and made a claim on his policy. Mr A later complained to Haven about the increases in his insurance premiums for the two years after the accident. He said:

- The 2022 accident wasn't his fault but Haven recorded a fault claim against him.
- His premium in May 2022 was £1,231.06.
- His premium in May 2023 was £1,570.31, an increase of £339.25.
- His premium in May 2024 was £1,930.51, an increase of £360.20.
- These premium increases were unfair because the accident wasn't his fault.
- He wants Haven to refund the difference between the 2022 premium and his premiums in 2023 and 2024.
- He also wants compensation for the "2 years of inconvenience and hardship" that he's suffered because of this.

Haven explained that:

- It wasn't saying Mr A was personally to blame for the accident.
- However, the vehicle involved in the 2022 accident "*had fake registration plates and was uninsured.*"
- This meant it couldn't trace the driver or recover its costs following Mr A's claim.
- It was industry practice to settle the claim as a fault claim against the policyholder "*where no third party can be held liable*".
- The 2024 premium "*was rerated following an amendment prior to renewal*" and was £1,618.15, not £1,930.51.
- His premiums were calculated correctly and in line with its underwriting criteria.

Mr A didn't accept this so brought his complaint to this service.

Our investigator didn't recommend that the complaint should be upheld. He accepted Haven's explanation why the 2022 accident was recorded as a fault claim against Mr A. He also found that Haven had applied its underwriting criteria correctly when it calculated Mr A's 2023 and 2024 premiums. He didn't think Haven had treated Mr A unfairly.

Mr A didn't agree, so his complaint was passed to me 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.

As Haven explained, if a claim is recorded as ‘fault’ this doesn’t always mean the policyholder was to blame for the accident. It can simply mean that the insurer wasn’t able to recover its costs. This can also be the case when an insurer agrees to split liability for an accident with a third party insurer.

In this case, an uninsured driver crashed into Mr A’s vehicle. Haven settled Mr A’s claim but couldn’t recover its costs from another insurer, so the claim was recorded as a fault claim against him. I know Mr A might think this unfair, but I’m satisfied this was reasonable.

Mr A accepts that Haven reduced his 2024 premium to £1,618.15, an increase of £47.84. Haven told us the revised quotation was lower than its initial quote because Mr A changed his car. I see the two quotes have different vehicle registrations, so I’m satisfied by Haven’s explanation. However, Mr A says this £47.84 increase from his previous year’s premium means “*the only reasonable and fair annual premium*” in 2023 should have been £1,278.90. That is, an increase of £47.84 from 2022 instead of more than £330.

As our investigator explained, this service can’t tell an insurer what an insurance policy should cost. The risk of insuring a car is Haven’s to take on, so it’s right that it – like any insurer – can decide how it assesses and prices risk. There are a lot of different factors insurers take into account when calculating risk. These include factors specific to a customer (for example, age or claim history) and factors that are non-specific (for example, the number of claims in the area where a customer lives). Insurers constantly review these factors which means the premiums they charge can increase or decrease.

We asked Haven about the premium increases. It sent us detailed underwriting information showing how Mr A’s premiums were calculated. This included a breakdown of the risk factors that go towards his premium and the individual price charged for each. This information is commercially sensitive and Haven has asked us to keep it confidential. That means I can’t share it with Mr A. I’d understand if Mr A is frustrated by this but if we didn’t keep this information confidential insurers wouldn’t share it with us. I’ve reviewed everything Haven sent us, and I’m satisfied that it applied its pricing model to Mr A’s policy correctly. I’m satisfied that Mr A hasn’t been treated unfairly.

I recognise that Mr A feels strongly about this and he’ll be disappointed with my decision. But based on everything I’ve seen, I can’t say Haven has done anything wrong. I won’t be asking it to do anything more.

### **My final decision**

My final decision is 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 27 March 2025.

Simon Begley  
**Ombudsman**