

The complaint

Mr B complains that Haven Insurance Company Limited (“Haven”) hasn’t refunded him fairly after he was overcharged for a motor insurance policy he took out.

What happened

In June 2022, Mr B took out a taxi insurance policy with Haven. Haven found there was a claim still open with his previous insurer, which Mr B said he wasn’t aware of – as he hadn’t been informed of a claim and had no knowledge of any accident or damage. So he got in touch with his previous insurer and it advised him that the claim had been kept open because liability was in dispute. Mr B’s previous insurer said it had denied liability due to the third-party’s lack of evidence.

Mr B let Haven know about this. Haven said they wouldn’t be able to honour the quote Mr B was given online because of the open claim, and his premium would have to increase. But Mr B says Haven told him if he was able to prove what the previous insurer had told him in writing, then they’d issue him with a refund.

Eventually, the open claim was settled as a non-fault claim. Mr B sent Haven the letter to confirm this, but Haven refused to refund him in full and only refunded him partially, for the 2023-2024 insurance year. It said the policy for the 2022-2023 year had lapsed and it wouldn’t be able to offer a refund on a lapsed policy.

Mr B complained. In its response to his complaint, Haven said it had calculated the refund correctly and it maintained its position. Mr B didn’t accept Haven’s response, so he referred his complaint to this service.

Our Investigator considered the complaint. He told Mr B that Haven had made a new offer and was now willing to refund him for the 2022-2023 policy, together with £100 compensation for the distress and inconvenience caused. Our Investigator considered the offer fair and reasonable in the circumstances, because he’d seen how Haven had calculated it and because Haven had told him about further claims it had discovered, which it wasn’t initially aware of.

Mr B didn’t accept Haven’s offer or what our Investigator had said, and wanted the complaint reconsidered by an Ombudsman. So the complaint has now come 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.

As this is an informal service, I’m not going to respond here to every point raised or comment on every piece of evidence Mr B and Haven have provided. Instead, I’ve focused on those I consider to be key or central to the issue in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m upholding this complaint in line with Haven’s offer. I’ll explain why.

Mr B says he was quoted a cheaper price online, before the issues with the previous claims became apparent. He says he's lost out financially as Haven has overcharged him. But Haven explained to Mr B in its final response letter that when a claim is open it's treated as a fault claim until it's confirmed to be a non-fault claim, and I don't find this unusual or unreasonable. So I don't think Haven acted unfairly when it initially told Mr B it would need to increase his premium because of the open claim.

It's also sent this service copies of its calculations showing how it's worked out the refund. Whilst I can't share that information with Mr B, as it's commercially sensitive, I can tell him that it contains all the details I'd expect to see and the calculations appear to be correct and in line with Haven's pricing and underwriting criteria. It's up to an individual insurer to determine how to rate risks for the purposes of deciding what cover to offer and at what price. And I'm satisfied, from what I've seen, that Mr B's premiums have been re-rated using the correct factors for his circumstances – and that he's been treated the same as any other customer would be in his position.

Mr B has said, in response to our Investigator's view, that he wants this service to listen to phone call recordings as Haven failed to honour its commitment and doubled his premium. But I don't consider these would impact my decision because I don't doubt what Mr B has told us about the phone calls. Even though Haven said it would refund Mr B in full and honour the price he was given online if he provided written evidence, this would've been based on the information Haven was aware of at the time. Haven has told us that it subsequently found a further two claims from 2021 – which it says it wasn't aware of when the policy was first taken out and when these phone conversations took place. It's said that if it had been aware of those claims, then no refund would be due at all for the 2022-2023 year – in line with its underwriting criteria – so Mr B has been put in a more favourable position given the circumstances.

Mr B has said this is incorrect and that Haven was aware of those claims, but he hasn't provided us with any evidence of disclosing those claims to Haven when he was provided with the first quote. And the evidence I do have, supports what Haven has said. On the initial Statement of Fact from 2022, under "Driving History" and "Claims", there is no information. And I can see that next to the question: "Have you or any person who may drive been involved in any accident, claim or loss (including loss by fire, theft or malicious acts), irrespective of blame, during the past three years?" Mr B has answered "No". So I'm not persuaded Haven had all the information it needed when it made assurances to Mr B about offering him a refund of his premiums.

Overall, I can't see from the evidence available that Mr B is entitled to a greater refund than what's been offered. And I'm satisfied that the £100 compensation offered to him is fair and reasonable, because this reflects that the impact of Haven initially refusing to refund Mr B fairly and the stress and worry this caused him.

Whilst I appreciate Mr B will be disappointed with my decision and has mentioned taking the matter to court, I'm afraid that for the reasons I've given, I'm only upholding his complaint in line with Haven's offer. Mr B is entitled to either accept the refund that's been offered by accepting this decision, or he can reject my decision and pursue matters through the courts if he wishes, though I'd recommend he seeks independent legal advice before doing so.

Putting things right

Haven Insurance Company Limited should pay Mr B a refund of £433.19 as well as £100 compensation for distress and inconvenience.

My final decision

My final decision is that I uphold this complaint and Haven Insurance Company Limited must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 April 2025.

Ifrah Malik
Ombudsman