

The complaint

Mr A complains that Haven Insurance Company Limited ("Haven") mishandled a claim on his commercial vehicle insurance policy.

What happened

The subject matter of the insurance was a sports utility vehicle, first registered in 2018.

In early 2020, Mr A acquired the vehicle subject to an agreement with a finance provider. He used the vehicle as a self-employed private hire driver.

For the year from late November 2022, Mr A had the vehicle insured on a policy with Haven.

Unfortunately, on 9 April 2023, there was an incident involving the vehicle and a pedestrian.

In late April 2023, the pedestrian (through a representative) made a claim to Haven that Mr A had injured him. Mr A said police were investigating.

In late June 2023, Mr A told Haven that police were taking no further action.

For the year from late November 2023, Mr A again had the vehicle insured on a policy with Haven.

In December 2023, the pedestrian issued court proceedings.

In January 2024, Haven settled the pedestrian's claim. Haven recorded a fault claim against Mr A.

In April 2024, Mr A reported that someone had stolen the vehicle.

In June 2024, Haven settled the theft claim by making a payment to the finance provider. Haven recorded another fault claim against Mr A.

Mr A complained to Haven including that:

- It had unfairly settled the pedestrian's claim.
- This had caused his premium to increase.
- It hadn't paid for repair of his vehicle.
- It hadn't paid for his loss of earnings during such repair.

By a final response dated 13 August 2024, Haven turned down the complaint.

Mr A brought his complaint to us in mid-September 2024.

Our investigator didn't recommend that the complaint should be upheld. He thought that Haven hadn't made an error in handling the claim.

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

- On the night of the incident, the pedestrian appeared to be under the influence of a substance.
- The pedestrian maliciously damaged his car.
- The police investigated thoroughly with the help of CCTV footage.
- In late June 2023, his solicitor sent him a message that the police had said they were taking no further action. He forwarded that message to Haven.
- He contacted Haven regarding the damage done by the pedestrian to the car. Haven told him the court would decide who would pay for the damage. Each time he phoned Haven, it told him that there was no hearing date yet.
- In November 2023, his premium doubled. Haven told him the difference should be refunded when the case with the pedestrian was over. He was desperate to go to court. He told Haven he had a ticket to travel to Africa in December and return in January 2024.
- He was away from about 11 December 2023 to about 17 January 2024. His UK mobile was off.
- He did not see any email. Haven should have sent a letter via recorded delivery.
- Haven was wrong to settle the claim without investigating the case fully and in his absence.
- After settling the theft claim, Haven told him it had settled the pedestrian's claim.
- Haven could have contacted him to provide paid invoices for the damage, if it wants to settle his claim.

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:

"Conduct of claims/subrogation

1 We are entitled to take over any third party claim against You (or any other person claiming under this policy) and to conduct the defence or settlement of any such third party claim in Your name or the name of any person claiming under this policy.

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

The effect of those terms is that, on a question of how best to deal with a third party's claim, Haven's view would prevail over its policyholder's view. That's not unusual in a motor insurance policy. Nevertheless, I will consider whether Haven applied that term fairly in the case of Mr A.

I accept that the police took no further action against Mr A. However, that isn't evidence that Mr A didn't injure the pedestrian or that the pedestrian damaged the car. Regardless of whether or not Mr A provided evidence to Haven that the police were taking no further action, that doesn't affect the outcome.

Haven tried multiple times to get a police report, but didn't receive one.

I accept that the premium went up from late November 2023. At that stage the pedestrian's claim was still open. I accept that Mr A hoped that Haven would successfully defend the claim.

However, Haven didn't need Mr A's consent to settle the claim. And I don't consider that he has shown that there was enough evidence reasonably to persuade Haven to defend the pedestrian's claim.

I haven't seen enough evidence that Mr A told Haven he was going abroad. If he had told Haven that, then I find it likely that Haven would've asked for - and Mr A would've provided - contact details for use while he was away. Mr A hasn't said that he gave Haven such details. So I don't consider it proportionate to try to get and listen to recordings of the calls.

By December 2023, the pedestrian had issued court proceedings supported with medical evidence of injury including to his left knee.

I'm satisfied that Haven did a reasonable and proportionate investigation. Haven didn't find any independent witnesses or CCTV or dashcam images. So there was little or no reasonable prospect of successfully defending the claim without Mr A being available to give clear evidence about the incident.

I'm satisfied that in December 2023 and January 2024, Haven took reasonable steps to contact Mr A. By an email dated 10 January 2024, Haven told Mr A that if it didn't receive his response, it would settle the pedestrian's claim and record Mr A as having been at fault.

I'm satisfied that Haven sent that email to the correct address. While I have no reason to doubt Mr A's statement that he didn't see it, I don't hold Haven at fault for that.

Mr A didn't respond to Haven. So I'm satisfied that on about 17 January 2024, Haven made a reasonable decision, based on the available evidence, to settle the claim, rather than to incur the cost and risk of defending it.

For these reasons, I don't find it fair and reasonable to direct Haven to pay Mr A compensation for the impact on him of settling the pedestrian's claim. That impact included his inability to get a reduction on the premium.

Later Mr A made a claim based on theft. Haven settled the claims arising in April 2023 and April 2024. So the policy terms provided that Mr A should pay the premiums for the whole of each of the two policy years from November 2022 and 2023.

Haven had no prospects of recovering its outlay in settling those claims. So I don't find that Haven treated Mr A unfairly by recording each of them as a fault claim against him.

I haven't seen enough evidence that Mr A pursued a claim for repairs on his policy based on vandalism by the pedestrian. As Haven had made no outlay for repairs, it couldn't pursue the pedestrian for reimbursement. And Haven was under no obligation to try to help Mr A recover such a loss from the pedestrian.

So I don't consider that (at the time of the final response) Haven had mishandled any claim for his costs of repair, which he says were about £1,300.00.

The policy didn't cover loss of earnings. So any such loss was an uninsured loss. And Haven was under no obligation to try to help Mr A recover such a loss from the pedestrian. So I see no reasonable grounds to direct Haven to compensate Mr A for any such loss.

Overall I don't find it fair and reasonable to uphold this complaint or to direct Haven to do any more in response to it.

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 A to accept or reject my decision before 5 May 2025.

Christopher Gilbert

Ombudsman