

The complaint

Mr B has complained that his commercial vehicle insurer, Haven Insurance Company Limited ('Haven') unfairly declined a claim he made on his policy which it subsequently decided to cancel.

Mr B brought his complaint to us through a representative but for ease I will refer to their comments as being Mr B's.

What happened

Mr B had a van policy with Haven. He made a claim on the policy in early November 2023 after a trailer which was attached to his van was stolen. Mr B said that later on that month, Haven decided to cancel the policy suddenly without an explanation other than saying that he breached the policy terms and conditions.

Haven said the policy was in relation to Mr B's courier business. But when Mr B was interviewed about the claim, he said that he was a courier as well as a recovery driver, an HGV driver and a house removal agent. It said that when Mr B reported the claim, he said that he used the trailer for all his work not just for the courier work and that the last job it had been used for was for the recovery of a car. He also said that the insured vehicle had been driven to Europe for business purposes.

Mr B complained to Haven in December 2023 and said that his business only related to courier services and that the trailer wasn't used in relation to other businesses. He added that he is in partnership with a towing and a removals business, but they use different vehicles which are insured under separate policies. For these reasons he didn't believe he was in breach of the policy terms.

Mr B brought his complaint to our service and asked for his policy to be reinstated. He said that he has not been able to find another policy, and this is affecting his business and causing him financial losses. At the time, Haven had not yet provided its response to the complaint.

Haven issued its final response at the end of January 2024. It didn't uphold Mr B's complaint because it said that Mr B hadn't previously disclosed to it that he was a home removal agent or a vehicle recovery driver and that he uses the insured vehicle for those occupations. It said he's also told it he had modified the van by adding a cooling unit. Haven said had it been aware of these details, it would not have offered Mr B a policy. It cancelled the policy with immediate effect, under the terms of its policy, and declined the claim. It said it considered this to be a deliberate breach of the duty to make a fair presentation and would not be returning any of Mr B's premiums. It said its decision to cancel rather than avoid the policy put Mr B in a better position.

One of our investigators reviewed the complaint but didn't think Haven should take any action.

Mr B didn't agree and asked for an ombudsman's decision. He said that his comments during the interview with Haven had been misrepresented. He said he no longer worked as an HGV driver and only referred clients to trusted service providers for removals and vehicle recoveries and they referred courier services to him. He also never performed those services using the insured vehicle. He said there may be a language barrier as English is not his first language.

Mr B added that the impact on him and his business has been severe and that he faces a very large tax bill and may be forced to close it down. He is no longer able to have representation and will have to represent himself. He reiterated there was no intention to mislead the insurer and that this is a misunderstanding. He said Haven failed to treat him fairly.

Our investigator didn't change her view, and the matter was then passed to me to decide. Before I proceeded with my decision, I asked our investigator to provide Mr B with copies of evidence provided by Haven which indicated that he was the director of a company I will refer to as 'P' which is listed as a vehicle recovery company. Our investigator provided Mr B with screenshots of the entry for P on Companies House as provided to us by Haven. And also screenshots Haven found online which showed P advertising its recovery services and which included photographs of the trailer and the insured van being used to recover vehicles.

Mr B responded and said that he is the director of P but it is a courier not a recovery company. He added that he collaborated with a recovery company for promotional purposes and they used photographs of some of his vehicles for advertising. He said the insured vehicle was used in line with the policy and within the operating radius specified in the policy wording. He said he has always acted in good faith and did not deliberately omit anything from Haven. He provided photographs of various vehicles. He also provided a screenshot from Companies House and said that the activity codes used for P did not indicate that it was a vehicle recovery business.

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.

The policy

Under the terms of the policy if the insured vehicle were to be used abroad, Haven would only provide the minimum level of cover required by law in that specific country, provided the vehicle was being used for social, domestic and pleasure use only unless expressly agreed by Haven.

Under "General conditions", Haven may cancel or void a policy from inception in the event the insured doesn't comply with those conditions. The insured is required to notify their broker of all material changes including a change in the purpose for which the vehicle is

used. And Haven will only provide cover if the information in the proposal form or statement of fact and declaration at each renewal is correct and complete to the best of the insured's knowledge.

Also at inception, renewal and whenever changes are made, the insured must disclose all material facts and not misrepresent any of those facts.

Under the cancellation section, Haven may cancel a policy with immediate effect or void it from inception if, among other things, the insured deliberately or recklessly tells it something which is untrue or misleading when applying for, amending or renewing the policy. Or if they are in breach of any of the terms, exceptions, exclusions, conditions or endorsements of their policy.

According to Mr B's policy schedule the policy provided cover for social, domestic and pleasure purposes as well as business purposes relating to Mr B's courier business. The policy only covered travel up to 100 miles from Mr B's address.

The parties' evidence

Haven has provided evidence which shows that Mr B is the director of P and was appointed to that role in 2018. This pre-dates the inception of the policy. And it provided photographs showing the van and the trailer transporting what seem to be broken down cars. It said the van and trailer were used for travelling to Europe for the business. And that had it known about this it wouldn't have offered cover.

Mr B provided a screenshot from Companies House which he says states that P undertakes "other service activities incidental to land transportation, not elsewhere classified" and "other business support service activities not elsewhere classified". He said these don't indicate that P is a vehicle recovery business. He provided what he said was an entry for another company which undertakes vehicle recovery services and that company is listed as undertaking "other transportation support activities" and is down as a "licensed carrier(s)". I have considered this evidence, but I don't think it indicates that P isn't a vehicle recovery business. Also the evidence on Companies House states that P undertakes "other transportation support activities" and is down as a "licensed carrier(s)".

In any event the evidence I found to be the most persuasive about the nature of P's business is the evidence Haven has provided from its internet search regarding P which consists of photographs of vehicles being recovered. The photographs include the insured vehicle. And the description under the photographs states that P provides recovery services 24/7. On balance, I think P is a vehicle recovery business.

Mr B said that his vehicles were used for advertising purposes for another business. This may be the case but the photographs provided by Haven show Mr B's vehicle being used by P and appear under its profile, not another company's.

Haven also relied on evidence Mr B gave during his initial interview where he said that his occupations include vehicle recovery driver and that he used the insured vehicle in connection with this occupation anywhere in Europe for work purposes. As this evidence was given shortly after the incident it is almost contemporaneous and I find it more persuasive than evidence given later on. This is because memories can fade over time and

the evidence provided at a later date may not be as accurate.

Based on the above, I think on balance, the insured vehicle was also used for vehicle recovery purposes. And on balance I also think the vehicle was used in Europe for business purposes as Mr B stated in his interview. This wasn't included in the cover approved by Haven.

Duty to make a fair presentation

When Mr B bought his policy, he had a responsibility under the Insurance Act 2015 to make a fair presentation of the risk. And for Haven to take any action at all it needs to show that Mr B didn't do this and that he made what's known as a qualifying breach. Under the Act a qualifying breach is a breach for which the insurer has a remedy against the customer because they would either not have sold them the policy or would have done so on different terms.

There is no dispute here that Mr B declared that the vehicle was being used for a courier business. And Mr B maintains that this was still the case at the time the trailer was stolen. He says the insured vehicle was not used for vehicle recovery purposes or driven to Europe for business purposes. But for the reasons I have given above I, on balance, think the vehicle was driven to Europe for business purposes and for a business that didn't only involve a courier business but also vehicle recovery. This is not something Haven was aware of. And in fact the policy excluded travel to Europe for business purposes.

It follows that I think Mr B should have declared that the insured vehicle was being used for business purposes in Europe and for purposes outside his courier activities. I think his failure to do so amounted to a failure to make a fair presentation of the risk Haven was taking on.

For Haven to take any action at all it needs to show it would have either not insured Mr B, or done so, but on different terms. Haven has provided evidence which shows it would not have insured Mr B if it had been aware of the vehicle being used in Europe for business.

I'm therefore, satisfied that Haven has shown that Mr B has made what is known as a "qualifying breach".

The remedies available to Haven depend on whether a qualifying breach is either deliberate or reckless, or, neither deliberate nor reckless. Haven said it considers the breach to be deliberate and that Mr B withheld material facts in order to gain a contract of insurance. Bearing in mind the evidence presented to our service including the evidence about the nature of P's business which is available in the public domain, I have decided not to interfere with Haven's decision.

The remedy available to Haven where the qualifying breach is deliberate or reckless and where it wouldn't have offered cover is to avoid the policy, reject the claim and retain the premiums. Haven decided to cancel the policy with immediate effect which is something it is able to do under the terms and conditions I mentioned above. So, I don't think it needs to do anything further.

I appreciate Mr B will be disappointed with my decision. I can see what a difficult situation he

has found himself in and the financial strain it has caused him. He was the victim of a theft which wasn't his fault. I can fully appreciate this but at the same time I don't think it would be fair or reasonable for me to ask Haven to cover a claim in circumstances where it would have never offered cover in the first place.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 4 August 2025.

Anastasia Serdari
Ombudsman