

The complaint

Mr D complains Haven Insurance Company Limited dealt with a claim made against his car insurance policy. He also complains about its decision to cancel his policy.

What happened

The details of the complaint are well known to both parties, so I won't repeat them in full again here. Instead, I'll focus on providing my reasons for my 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.

Having done so, I agree with the conclusions reached by the Investigator for the following reasons:

- I recognise Haven would have needed to respond to the third-party insurer ("TPI") about the alleged incident and due to exceptional circumstances Mr D wasn't able to respond its enquiries quickly. However, Haven has since accepted it could have done more, in the meantime, to verify the claim made against Mr D's policy related to him, it now accepts he was not involved in the incident in question and is dealing with the third party accordingly. I think this is a reasonable action to take.
- While I agree the policy would have needed to be cancelled. Had Mr D been offered the opportunity, I think more likely than not he would have cancelled the policy himself, meaning he wouldn't have to declare a cancelled policy to any new insurer. However, it appears Haven did not offer this opportunity when I think it should have done. Haven has now agreed to remove any cancellation markers from the relevant external databases. I think this is reasonable.
- Mr D has said he has found it difficult to obtain insurance elsewhere, however I'm not persuaded this is solely due to the cancellation marker being on his record. I think it's more likely than not, he would always have had some difficulty due to other information that he would have had to declare when making an application.
- Mr D has explained the way in which Haven dealt with the claim and the manner in which it cancelled the policy caused him worry and upset. Having considered the circumstances of this case, I can see that would be true. I think it would be fair and reasonable for Haven to pay Mr D compensation of £500. I think this amount fairly recognises the impact its actions had on Mr D and the inconvenience he has been put to in sorting things out.

For their reasons above, I uphold this complaint.

Putting things right

To put things right Haven should do the following, if it has not already done so:

- Arrange for cancellation markers to be removed from any external databases. Its internal

- records should reflect that Mr D cancelled the policy.
- Pay Mr D £500 compensation.

My final decision

My final decision is that I uphold Mr D's complaint against Haven Insurance Company Limited. I direct it to put things right as I have set out in the section above.

Haven Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it Mr D accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 7 August 2025.

Alison Gore
Ombudsman