

The complaint

Ms O has complained that Haven Insurance Company Limited unfairly and unreasonably cancelled her motor policy.

What happened

Ms O insured her car with her sister who I shall call Ms W (solely for easier distinguishing purposes) as the named driver. Ms W was reported to Haven as being involved in an incident.

Haven talked to Ms W who explained she was going to 'work' at the time of the incident. As Ms O had only insured her car for social, domestic and pleasure use, her car could not be used for commuting to work. So, Haven cancelled Ms O's policy on the basis she misrepresented the matter. It also said she misrepresented where she would be parking her car overnight too.

Ms O complained but Haven wouldn't change its stance, so Ms O brought her complaint to us. Ultimately the investigator didn't uphold it. Ms O remained dissatisfied, so her complaint was passed to me to decide.

I issued a provisional decision on 7 April, and I said the following:

'Having done so, I'm not upholding this complaint for further reasons than those of the investigator. I'll now explain why.'

Ms O's policy with Haven started on 1 April 2023 and was due to expire on 31 March 2024. The incident between Ms W and this other driver occurred on 12 December 2023.

In its final response letter, Haven said that as Ms W told it she was going to work at the time this incident with the other driver happened, that meant she was using the car for an uninsured purpose as Ms O had only insured her car for social, domestic and pleasure use, which excluded any commuting to work.

Ms W had recently become a magistrate as in she was sworn in on 4 August 2023 which is a voluntary job done on an occasional basis. She didn't start actually acting as a magistrate until October 2023. During her training, she was advised not to tell people she was a magistrate. That's the reason why she told Haven she was 'going to work' when asked about the incident that occurred. We've now ascertained that since this new 'occupation' which is also voluntary, occurred mid-term in the policy year, Haven has now agreed it's now not a valid reason for it to have cancelled Ms O's policy.

The reason Haven was so sure this magistrate work began before the policy started was due to a typing error on the year date Ms O told us and therefore Haven, as being the date when her sister Ms W became a magistrate.

Haven also said that Ms O misrepresented where she was going to keep the car overnight.

Haven, in investigating this incident between Ms W and this other driver, noted that Ms O made two applications. The first one ending in 691 and the one at issue ending 409. It said Ms O cancelled the first one ending in 691 apparently before any validation checks were made and then took out the second one.

I've looked at both Statements of Fact as to where the car was normally going to be and also its stated overnight location. In the first one ending in 691 Ms O stated her car would be kept at her address normally and overnight in a garage. In the second one ending in 409 Ms O said it would be kept at the named driver's address and garaged overnight. Ms O now told us on 28 March 2025 there wasn't a garage at this address, as in the address of the named driver.

Haven said had it known Ms O wasn't intending to keep her car garaged at night, it would have increased her premium over its premium threshold which would have meant it wouldn't have accepted her application for a motor policy. Haven has shown us how the increased rating for the car not being kept overnight in a garage would have increased Ms O's premium to beyond £4,000 per year. Haven doesn't provide any insurance where the premium would be over £4,000.

Ms O then explained that she was aware her type of vehicle was at risk from theft, so she mostly parked it at another sister's address nearby who did have the use of a garage so Ms O could park her car there. Haven is now aware of this address but has rightly said Ms O didn't disclose this on her application.

So, I consider on balance that it's clear Ms O didn't take sufficient care over the question as to where she was going to keep her car overnight when she took out this policy. Clearly neither her own address nor that of her named driver Miss W had any available garage parking according to Ms O.

The law in relation to this is clear. Under The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA), the consumer is under a duty to answer the questions the insurer asks, taking care not to make a misrepresentation. Insurers also have to ask clear questions so I asked Haven to show me the journey Ms O would have followed in applying for her policy. It clearly asks the question about where the car is to be kept overnight and asks for the address of that if it is a different address to the policyholder's address. Ms O gave her then present address and with the overnight garaging address being that of the named driver, Ms W. So that shows me she understood the question asked here. And it's also clear to me there was no availability of any garage parking at either Ms O's own address or at Ms W's address.

Under CIDRA, Haven also has to show what it would have done differently had it known the correct information at the time of application. Haven is clear that Ms O's premium would have risen to over £4,000 if it has known her car wasn't going to be parked in a garage overnight. And it's shown me it doesn't provide insurance for any applicant where their premium would be £4,000 or over.

So, under CIDRA that means Haven was entitled to cancel Ms O's policy in the way it has done. Therefore, given the overnight parking non-disclosure by Ms O, this means Haven hasn't done anything wrong.

The regulations permit all insurers to decide what risks they want to cover and what risks they don't. Each insurer, and Haven is no different, produces its own underwriting guide. This is obviously sensitive commercial information so I can't share this with Ms O or detail it in this decision, as we publish our decisions. However, each applicant is subject to the underwriting guide, which also means I consider that Ms O wasn't singled out and treated any differently to any other applicant by Haven either.

Due to Ms O's typing error, Haven thought Ms W was a magistrate before the policy began. It's clear now that's not the case. And I'm afraid due to the fact it's clear there is no garage facilities at Ms W's address, Haven, given the fact Ms O's premium would have risen to or beyond £4,000, remains entitled to have cancelled Ms O's policy in the way it did.'

Ms O responded saying that she was understandably disappointed. She said she was also confused how Haven could introduce a new issue whereas she was not permitted to do this. She confirmed she fully understood the application questions and she didn't believe she misrepresented given the screen shots she produced. She wanted to know where in the application process where she could have inputted another address for the garage she intended to use for her car.

Haven didn't respond.

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.

Our rules ensure that any complaint raised by a consumer must be considered by the business first before the complaint is passed to this service to adjudicate. So that the business has the chance to resolve the consumer's complaint first. That's why the investigator told Ms O that if she wanted to raise further issues about Haven, she needs to direct them to Haven first. Then if Haven didn't resolve those issues Ms O would be entitled to bring that complaint to this service if she wished. In the event a business doesn't respond to the complaint raised by the consumer within eight weeks, then the consumer can refer the complaint to us. So, it wasn't the case Ms O couldn't raise further issues of complaint against Haven, she simply had to refer those issues to Haven first, before this service could get involved.

Haven initially cancelled Ms O's policy on the basis given the typing error of Ms O, it thought Ms W's occupation as a magistrate started before the policy began. However, as the complaint progressed, it realised that her car wasn't being kept in a garage overnight as detailed on the policy. So yes, it did raise a second reason for its cancellation of Ms O's policy. However, I made sure to ensure Ms O could answer this issue and explain it fully before I adjudicated on it. Sadly, given Haven's premium rating for a car not being kept in a garage, this took Ms O's premium over £4,000 per year, which is something Haven doesn't cover. And unfortunately, Ms O's testimony on the overnight garaging issue didn't show she gave the correct address for the garage she said she was using. There was no garage at either Ms O's address or that of Ms W, which were the two addresses she inputted in her application form. The evidence from Haven was clear that this question was asked on the application form as also indicated by one of the screen shots Ms O forwarded to us.

As I explained in the provisional decision, the law CIDRA, is clear about the consequences of such non-disclosure where the insurer's underwriting guide shows an unacceptable

premium increase as Haven demonstrated. Given this, it meant Ms O's complaint couldn't be upheld which means I'm not departing from the outcome detailed in my provisional decision.

My final decision

So, for these reasons, it's my final decision that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O and Miss O to accept or reject my decision before 20 May 2025.

Rona Doyle
Ombudsman