

The complaint

Mr S complains that Haven Insurance Company Limited (“Haven”) declined a claim and cancelled his motor insurance policy because it thought he’d acted fraudulently. When I mention Haven I also mean its suppliers and engineers.

What happened

Mr S had a motor insurance policy with Haven covering his car.

In mid-October 2024, Mr S reported a collision to Haven. He said he’d been turning a corner at a junction when his steering went stiff. He hit a third-party car parked at the side of the road, causing damage to both it, and his car.

Haven investigated his claim. It sent an engineer to inspect both cars, and Mr S provided photos of the scene of the collision.

Mr S complained about delays during his claim. He chased Haven repeatedly for progress.

Haven said it wasn’t happy with Mr S’s version of events. Its engineer said the level of damage reported to his car wasn’t consistent with the damage reported to the third-party car. It wouldn’t pay his claim and cancelled his policy as it said it thought Mr S had acted fraudulently. It also applied a fraud marker to his records.

Mr S brought his complaint to this service. He asks that his claim is settled. He also said the fraud marker meant his banking and credit history had been affected.

Our investigator looked into it and thought Haven had acted fairly and in line with the policy terms when it investigated his claim and cancelled his policy.

Mr S didn’t agree with the view and asked that his complaint was escalated to an ombudsman. So it’s been passed to me to make 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.

I’m sorry to hear that Haven’s decision on his claim has impacted Mr S so greatly. But having read the file of evidence, I’m not upholding Mr S’s complaint. I appreciate the impact this will have on him, and I’ll explain why I’ve come to this decision.

Our approach in cases like this is to consider whether the insurer has acted in line with the terms and conditions of the policy, and fairly and reasonably towards Mr S.

In Haven’s rejection of Mr S’s claim, it talked about two key areas. The first of those is that its engineer said they thought that the areas of damage to Mr S’s car and the third-party car weren’t consistent. I’ll mention that Mr S said the front near side corner of his car contacted the middle off side of the third party, so in that respect the damage is consistent.

But, what Haven talks about in the file is that the amount of damage caused to Mr S's car (which was estimated at around £13,000 and would mean his car was likely beyond economic repair) wasn't consistent with the amount of damage caused to the third-party car.

Haven declined Mr S's claim under the fraud condition. This says:

"Fraud

1. If You or anybody insured by this policy makes a claim knowing it to be fraudulent, false or exaggerated, provides false documents or makes false statements in support of a claim, this insurance will be void and all claims will be forfeited.

2. In the event of fraud, we will retain all premiums paid."

This wording is common in the insurance marketplace and I think its use here is fair. Haven said it thought Mr S's intention was to get a better financial outcome for himself by acting fraudulently.

I've thought about this carefully. It's important I say to Mr S that this service isn't an expert in automotive matters. We rely on people like experts to provide evidence we can use to decide whether a claim has been handled fairly and reasonably.

Haven's expert engineer reported that the damage on both cars wasn't consistent. And given that this is an expert report, I need to give this due weight in my consideration. I can't see evidence that demonstrates the damage happened as Mr S said.

There's a comment in the expert's report that says they weren't able to view the third-party car before it had been partially repaired, and that the engineer may reassess the level of damage to that car if they were able to view photos of it before the repairs were carried out.

I mention this point because it's formed a major part of Mr S's approach to this service. But having reviewed the evidence, I'm not persuaded the engineer's thoughts change their opinion that the collision damage was inconsistent.

The second area of concern for Haven was that its engineers found no issues with the steering of his car when it was inspected, but Mr S had reported the steering was hard to turn. There is mention in the file about his steering 'locking', but Mr S clarified that it had become 'stiff'. The expert engineer didn't find an issue with the steering on his car. I can see Mr S feels strongly about this, but I don't think Haven have relied solely on this issue to reject his claim. Instead it's used it as supporting evidence, and I think that's fair.

What this all means for Mr S is that I think Haven acted fairly in rejecting his claim and deciding that he'd acted fraudulently, as its expert has reasonably shown the collision didn't happen as Mr S described.

Under the terms of the policy wording, what this means is that Haven can invoke the fraud condition, cancel his policy and keep the premium he paid.

I've also thought about how Mr S's claim progressed. I can see he chased up Haven repeatedly as he hadn't heard much from it. There's evidence in the file that Mr S was distressed by the length of time Haven was taking to investigate it. It took Haven about two months to obtain the expert engineer's report, then a further month to investigate it more, ask Mr S some questions, and finally reject it around the three-month point.

It's important I say that Haven felt it needed to investigate Mr S's claim thoroughly, because

it recognised there were inconsistencies in his version of events earlier on in the claim. It also needed to access both cars that'd been involved so satisfy itself about the veracity of the claim, and I can see from the file that there were issues with the engineer locating and accessing both of them.

I think Haven has reasonably shown that Mr S's claim needed to be investigated, and, while I think it may have caused some delays in the claims process, I'm not persuaded that it caused additional distress and inconvenience to Mr S over what he'd already suffered from his claim being declined.

In later correspondence with this service, Mr S has also talked about Haven applying a fraud marker to his records, and that this marker has caused him distress and inconvenience.

Although I can't see that Mr S has raised this part of his complaint with Haven, I feel I should mention it here for completeness. Haven can't apply a fraud marker simply because it suspects fraud. It needs to have sufficient evidence to back up what it's alleging and a criminal offence must be identifiable – so it could confidently report the matter to the police.

I've looked at Haven's rejection of Mr S's claim, and I can see it's said to him that it regarded his actions as criminal and it said it may pass its file to the authorities. What this means for Mr S is that I think Haven's application of the fraud marker is fair and in line with this service's expectations.

Mr S has mentioned pursuing his claim in court, and this is his right.

It follows that I'm not upholding Mr S's complaint and I'm not going to ask it to do anything more.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 June 2025.

Richard Sowden
Ombudsman