

The complaint

Mr R is unhappy with Haven Insurance Company Limited's handling and settlement of a claim he made under his home insurance policy.

What happened

Mr R made a claim under his home insurance policy after an escape of water caused damage to his property.

Mr R first reported the issues in October 2024. His home emergency insurance provider sent out an engineer, who was unable to locate the source of the leak. It was suggested that the water could be coming in from the roof outside, rather than from the plumbing, which would mean there was no claimable event under the home emergency policy.

Mr R eventually appointed his own contractor who was able to source a leak from the bathroom. Mr R's claim was subsequently accepted by Haven – his home insurance provider. However, Haven sought to proportionally reduce the claim settlement Mr R was due, on the basis that his property was underinsured.

Mr R has complained about several elements of Haven's handling of his claim. In summary, he's said:

- Haven unfairly sought to reduce the claim settlement due to alleged underinsurance.
- Haven sent him outdated links for his policy information when the policy was taken out meaning he couldn't access his documents. Based on this, it was unfair for Haven to seek to rely on its average clause to reduce the claim settlement.
- Haven, and his home emergency insurer, have provided poor customer service and communication throughout his claim, particularly the initial incorrect decline of his home emergency claim which he says caused him to suffer a heart attack.
- Haven's customer service and complaint handling have been poor, particularly its failure to acknowledge or deal with a request he made for information.

The fourth complaint point (above) is being looked at separately, under a different complaint reference with our service.

In relation to the issues being considered as part of this complaint, an investigator at the Financial Ombudsman Service considered Mr R's complaint and explained why she thought it was unfair for Haven to reduce the claim settlement due to underinsurance. She said Mr R used an online tool supplied by the price comparison website he used to provide an estimate of the rebuild cost of his home, and she considered this was reasonable. So, she said Haven should reconsider the claim without applying a deduction for underinsurance, and that it should pay 8% simple interest on any amount due to Mr R, from the date of loss to the date of settlement.

The investigator acknowledged that Mr R had suffered a significant level of avoidable distress and inconvenience as a result of Haven's claim handling, and unfair claim decision. She acknowledged medical information Mr R provided and accepted the impact of Haven's failings on Mr R would have been greater due to his health issues. But she didn't accept that Haven's actions had caused Mr R's health issues. To put things right, the investigator recommended that Haven should pay Mr R £1,250 compensation.

In relation to the outdated policy links provided during the sale, the investigator agreed Mr R had been provided with outdated links, but said this was quickly corrected, with up-to-date documents being provided by email and in the post.

Haven accepted all the investigator's recommendations.

Mr R accepted the investigator's recommendations about the underinsurance. And Haven has since settled Mr R's claim – including the correct amount of interest – after being provided with some calculations from Mr R. So, neither the claim settlement issue nor the outdated policy links issue remain in dispute. Therefore, neither point require a finding from me.

The investigator has confirmed with Mr R that the issue which remains in dispute is whether the £1,250 recommended by the investigator is sufficient to compensate him for the impact of Haven's poor claim handling and customer service. Mr R doesn't agree that £1,250 is sufficient to recognise the health issues he has suffered as a result of the home emergency claim originally being declined, and the subsequent difficulties he's experienced while trying to get a fair settlement on his claim. So, it's the compensation issue that my decision will focus on.

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, while I appreciate it will likely come as a disappointment to Mr R, I agree with the conclusions reached by the investigator on the amount of compensation. I'll explain why.

Mr R's primary concern with the compensation awarded by the investigator is that it doesn't adequately reflect the impact Haven's claim handling had on his health. Mr R says he was fit and healthy, with no history of any cardio-vascular health issues. But due to the stress of finding out that the initial home emergency claim might not be covered, he suffered a heart attack.

Mr R has provided a lot of detailed testimony and medical evidence which he says supports that Haven's actions are the cause of his health issues. The investigator wasn't persuaded that Mr R had evidenced a causal link, although she accepted Mr R's health situation meant the impact of Haven's failings in this case was more severe.

I've thought carefully about all the evidence Mr R has provided. Having done so, I don't intend to make a finding on whether the initial suggestion the home emergency claim might be declined was the cause of Mr R's heart attack or not. I say this because the specific event Mr R has referred to as the cause - the initial suggestion, in October 2024, that the home emergency claim wouldn't be covered, didn't come from Haven. It came from the home emergency insurer – which is a distinctly separate entity. I'm not able to hold Haven responsible for the actions of the home emergency insurer. So, it therefore follows that I won't make any finding on whether this event was the cause of Mr R's heart attack as part of this complaint – because this complaint is solely about Haven and the things it was responsible for.

That being said, it's not in dispute that Mr R's claim wasn't handled well by Haven. It unfairly sought to proportionally reduce the claim settlement due to Mr R on the basis that he was underinsured, which would have been understandably worrying and distressing for Mr R. This meant the claim was avoidably and unreasonably delayed, and that Mr R was forced to make a complaint and pursue it through to the Financial Ombudsman Service just to get the fair claim settlement he was entitled to receive. This would have been distressing and inconvenient for anyone, but particularly for Mr R given the health issues he was experiencing at the same time. I can certainly see how the stress of the situation would have been particularly impactful to Mr R in the circumstances.

I'm pleased to see that, by accepting the investigator's recommendations, Haven has also accepted this. And taking into account the issues Haven is solely responsible for, and the impact they had on Mr R, I'm satisfied that the £1,250 compensation offer is sufficient to put things right. I think this amount adequately reflects that Haven's errors had a substantial impact on Mr R over a sustained period of time.

I appreciate Mr R feels very strongly that £1,250 doesn't go far enough to recognise all of the difficulties he experienced. And I certainly don't mean to downplay the issues he's suffered, which I fully accept were severe. But for the reasons I've explained, I'm only considering and awarding compensation for the impact of the failings Haven is solely responsible for, not the home emergency provider.

My final decision

For the reasons I've explained above, I uphold Mr R's complaint in part and direct Haven Insurance Company Limited to pay Mr R £1,250 for the avoidable distress and inconvenience it has caused him – if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 7 January 2026.

Adam Golding
Ombudsman