

The complaint

T, a limited company, complains that Haven Insurance company Limited ('Haven') unfairly cancelled its insurance policy.

Mr T, a director of T, brings the complaint on T's behalf.

What happened

T held a commercial vehicle insurance policy which covered a vehicle it owned. In June 2025, Mr T reported that his nephew had driven the vehicle without his permission and had been stopped by the police. The vehicle was seized and the driver received penalty points and a fine. Mr T said he the police treated it as a road traffic offence and didn't open or investigate the matter as theft.

When Mr T reported the incident to Haven, they cancelled the insurance policy and said T hadn't complied with the policy's condition which required that, where a vehicle was taken without permission, it needed to be reported as stolen and supported by evidence of an ongoing investigation or prosecution. Haven said the police had informed them Mr T didn't want to press charges and so they felt the policy's terms had been breached.

Mr T felt this was unfair and raised a complaint. He said the decision to prosecute or not was outside of his control and that he had acted reasonably by reporting the incident to Haven when he did. He maintained that he had not given consent for his nephew to use the vehicle. When Haven didn't change their decision, Mr T then brought the complaint to this Service.

An Investigator looked at what had happened but ultimately concluded Haven had acted fairly and in line with the policy's terms. The Investigator said she'd listened to a phone call between Haven and the police in which it was noted Mr T didn't want to press charges, so she thought Haven was entitled to rely on the policy terms that they had.

Mr T did not agree with the Investigator's conclusions and asked for an Ombudsman to consider the complaint. He said that he hadn't refused to press charges and had simply followed the advice from the police, who had treated the incident as a road-traffic offence, so they would not take a theft report or open an investigation.

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've reached the same overall conclusions as those of the Investigator, and I do not uphold this complaint.

The core issue for me to decide in this complaint is whether Haven acted fairly by cancelling the policy using the policy term that they did. The relevant policy terms Haven relied on, under general exclusions, say:

“... We will not cover any claim for loss, damage or liability, and Your policy may be cancelled, if Your Car is being:

a) Driven by or in charge of anybody who is not named in the Certificate of Motor Insurance as a person entitled to drive unless:...

ii. Your car was stolen or taken without Your permission and reported as such to the Police. You must provide Us proof of prosecution or ongoing investigation...”

Mr T says the police treated the incident as a road traffic offence and didn't open an investigation into theft, which he says means the evidence Haven required was outside of his control. While I've carefully considered those submissions, I've also listened to a copy of the call recording between Haven and the police, while Mr T was present with them. In that call, the police confirmed that the matter hadn't been reported as a stolen vehicle and Mr T didn't want to press charges.

But Mr T says that the police took the decision not to proceed with a theft investigation and he didn't have any input into their decision to treat the incident as a road traffic offence only.

In situations like this, where the evidence may be incomplete or contradictory, I'm required to make my decision on the evidence which is available and the wider circumstances of the complaint, as well as how much weight to give to any piece of evidence. Additionally, under DISP 3.6.1, my remit is to determine a complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case.

Ultimately, I haven't seen any persuasive evidence that demonstrates the police did not want to proceed with an investigation or prosecution. And based on the phone call evidence that I have considered, I'm not persuaded the choice to proceed with pressing charges was outside of Mr T's control.

While I acknowledge that this was a difficult situation involving a family member, I'm satisfied that the term was set out sufficiently clearly and I don't think that it's unfair or unreasonable to require a policyholder to co-operate with the police in investigating or prosecuting a stolen vehicle. The term requires evidence of a prosecution or ongoing investigation. And based on the available evidence I've seen, this requirement wasn't met; so, I don't find that it was unfair for Haven to rely on it when cancelling T's policy.

I appreciate that this has been a difficult and protracted situation for T, and I don't doubt the considerable financial pressure caused by the incident. But ultimately, I'm satisfied Haven acted within their rights under the policy and cancelled it in a way I that consider to be fair and reasonable.

My final decision

For the reasons I have outlined above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 14 May 2026.

Stephen Howard

Ombudsman