

The complaint

Mr M complains about Haven Insurance Company Limited's handling of his car insurance claim.

All references to Haven also include its appointed agents.

What happened

I'm aware a separate complaint has been brought by Mr M regarding the actions of the broker of the policy. However, my decision focusses solely on matters relating to Haven. So, I will only refer to the broker here for the purpose of delivering my decision on this complaint.

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving 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 these reasons:

- Mr M has said he told the broker he wasn't working at the time the policy renewed, which is why he couldn't send a valid badge or licence.
- However, the information provided to Haven was that Mr M was trading as a Taxi Driver. So, it wasn't an accurate representation of the risk.
- Haven has provided our service with its underwriting criteria. This is commercially sensitive, so I won't discuss its contents, however I can confirm that from reviewing the information available it wouldn't have provided cover to Mr M had it been given accurate information.
- Under the Insurance Act 2015, it would be said that a qualifying breach occurred.
- Haven have classed the misrepresentation as careless, which means an available remedy would have been to avoid the policy, refuse all claims and return Mr M's premiums paid.
- However, this isn't what happened. Haven instead chose to cancel the policy, giving notice to Mr M that his policy would end in October 2022.
- As a result, the policy has been validated from the date it started to the cancellation date provided by Haven. And so, a contract of insurance was in place until that date. Mr M's claim was made in September 2022. And therefore, he would have still been on cover at the time.
- Haven have pointed to a term in its policy that says it can refuse a claim in the event of a misrepresentation. The relevant act, as explained above, sets out what an Insurer can do in the event a consumer doesn't make a fair presentation of the risk. Haven chose not to do this, and I don't think it's reasonable for it to rely on a term in the policy contrary to what is set out in relevant legislation.

- By notifying Mr M it would continue with cover until October 2022, Haven prejudiced his position to seek alternative insurance to cover the relevant peril.
- So, considering everything I've set out above, I don't think it's fair for Haven to rely on this to decline the claim and it should now proceed to reconsider the claim using the remaining terms of the policy.

So, for these reasons, I uphold this complaint.

Putting things right

To put things right Haven Insurance Company Limited should reconsider the claim under the remaining terms of the policy.

My final decision

My final decision is that I uphold Mr M's complaint.

To put things right I direct Haven Insurance Company Limited to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 August 2023.

Michael Baronti
Ombudsman