

The complaint

Mr S complains that Haven Insurance Company Limited held him at fault following a claim made on his commercial motor insurance policy and then cancelled his policy.

What happened

Mr S was involved in an incident with another driver, and he made a claim on his policy. Haven initially held Mr S not at fault, but this was disputed by the other driver's insurer. Haven further considered the evidence available and decided that it would be unable to defend Mr S if the matter went to court. So it accepted liability on his behalf.

Haven then asked Mr S to provide documents to validate his policy. It gave him one extension for this, but Mr S didn't send in his documents within time, so it cancelled his policy. Mr S was unhappy with this and with the liability decision.

Our Investigator didn't recommend that the complaint should be upheld. He thought Haven had decided to accept liability after reasonably investigating the claim and considering the evidence available. He thought it was entitled to do this by the policy's terms and conditions. And he thought Haven had given Mr S sufficient opportunity to provide his documents to validate his policy. He didn't provide these within the agreed time, so he thought it was entitled to cancel his policy.

Mr S replied that he thought Haven wasn't able to judge what a court would decide. He said he'd sent in his documents when he first took out his policy. Mr S asked for an Ombudsman's review, so his complaint has come to me for 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 can understand that Mr S feels frustrated that he has been held at fault and that his policy was cancelled. The investigator has already explained that it isn't our role to decide who was responsible for causing the accident. This is the role of the courts. Instead, our role in complaints of this nature is simply to investigate how the insurer made the decision to settle the claim. Did it act fairly and reasonably and in line with the terms and conditions of the policy? And has it treated Mr S the same as someone else in his position.

Haven is entitled under the terms and conditions of its policy with Mr S to take over, defend, or settle a claim as it sees fit. Mr S has to follow its advice in connection with the settlement of his claim, whether he agrees with the outcome or not. This is a common term in motor insurance policies, and I do not find it unusual.

Insurers are entitled to take a commercial decision about whether it is reasonable to contest a third party claim or better to compromise.

That said, we expect an insurer to reasonably investigate a claim and consider the evidence available before making its decision on liability.

When he first reported the claim, Mr S said another driver had forced him into a lorry's lane where he'd been hit in the rear. Mr S said he didn't have dashcam evidence. But he later

said his son had recorded the incident on his phone. Haven reviewed this footage, and it said it couldn't see a lorry. It thought Mr S had undertaken another car and then pulled in front of him and braked causing a collision. The other driver had then blocked in Mr S's car when he pulled over.

From its file, I can see that Haven reviewed the accident location and the damage caused to the cars. It considered Mr S's testimony, but it didn't agree with his version of events. I can't see that Haven had any further evidence to consider. It then referred the claim to its legal advisers for advice. And then it decided to accept liability as it would be unable to defend the claim if it went to court. I think Haven reasonably investigated the claim and considered the available evidence. And I'm satisfied it was entitled by the policy's terms and conditions to make this decision. So I can't say it did anything wrong.

Haven sent Mr S an email explaining its decision to accept liability. Mr S said he didn't receive this. But I can see it was sent to the correct email address. And Haven had already explained its decision and reasoning to Mr S the previous day after he questioned the decision. So if there was an error with the email, I can't say this caused Mr S any loss.

Mr S also complained that Haven cancelled his policy. Haven said it asked Mr S for documents to validate his policy. Mr S said he didn't have these to hand and Haven agreed to a week's extension. Mr S then asked for a further extension, but Haven declined this. Mr S didn't send in his documents before the deadline set in keeping with the policy's terms and conditions. And so I think Haven was then entitled to cancel his policy after giving Mr S seven days' notice as required by the policy's terms and conditions:

"If supporting documentation is not received, we reserve the right to cancel the policy or charge an increased premium."

"In circumstances where we feel we cannot continue providing services to you, we will give you a minimum of 7 days' notice."

Mr S said he'd already provided these documents when he took out his policy 11 months earlier. But Haven's request was for some documents to be current in order to validate his personal details and driving history. Mr S provided these later. But this was after the policy had been cancelled. And so I can't say that Haven treated Mr S unfairly.

My final decision

For the reasons given above, my final decision is 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 6 May 2024.

Phillip Berechree
Ombudsman