

The complaint

Mr P and Mrs P say Haven Insurance Company Limited unfairly declined a claim they made on their motor insurance policy – and that it took far too long to do so.

What happened

In July 2021 Mrs P told Haven that her car was left in a car park near to a business run by her and Mr P. She said Mr P drove her home in his car, but when they returned a few hours later, the car was gone. By then the police had found it a short distance away, burnt out.

The police told Haven they had concerns about the reported theft and that they were carrying out enquiries. In October 2021 they said Haven could now request a police report and that it should also look at the CCTV footage they had reviewed. The police report was sent to Haven in mid-January 2022 and the CCTV footage arrived in March 2022.

Haven was concerned about the conflicting details given to it and to the police by Mr P and Mrs P - and also by the CCTV footage. In April 2022 it put queries to them about the time the car was parked (and by whom) plus questions about the whereabouts of the car's key on the night of the theft. It wasn't satisfied with their response, including Mrs P's insistence that she'd handed the key over to the police at the time, when the police were sure she didn't.

In May 2022 Haven said it wouldn't be dealing with the claim and that it intended to avoid the policy (to treat it as though it had never existed) in line with its terms and conditions, as it thought the details given to it by Mr P and Mrs P weren't accurate.

One of our investigators reviewed Mr and Mrs P's complaint. She thought Haven had acted reasonably, given all the discrepancies Haven and the police had noted. She thought the time Haven had taken to reach a decision was largely due to the wait for the police report and the CCTV footage. As there was no agreement, the complaint was passed to me.

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.

The evidence on the file shows that the account of events recorded by the police differs from that recorded by Haven in significant respects - for example, the time the car was left in the car park. Mrs P thinks the police records are wrong. But the police spoke to Mrs P and Mr P more than once about the theft. And as it's their professional duty to make accurate notes of their discussions, I think it's more likely that not that the records are accurate.

Even if there was a mistake in the police's records, the CCTV footage doesn't support *either* the time the police say Mr and Mrs P initially said the car was left, *or* the time they told Haven they'd parked it initially. It seems the car was taken immediately after it was parked - and set alight nearby very quickly after that. Those circumstances are very unusual, as thieves usually make good use of a stolen car before destroying it. So I can see why that raised a further concern about the theft.

Mrs P told us that her account of times and events hadn't changed, but I don't think that's borne out by the available evidence. There were discrepancies about who parked the car, when, and whether Mrs P was in the car park around that time. There was a further issue with the car's key and a query about it having been driven away using a key. In the light of the unexplained queries, the content of the police report, and the CCTV footage, I think it was reasonable for Haven to decide that Mrs P and Mr P's account of events wasn't reliable. So I also think it was reasonable for it not to deal with the claim and to avoid the policy.

It took a long time for Haven to issue its decision, but I think it was reasonable for it to wait for the police report and the CCTV footage. I can see from the file that Haven chased the police for the information and told them it thought their delays were unreasonable. I think Haven could probably have issued its decision a little earlier than it did, but insurers normally take great care when dealing with claims they think may be fraudulent. I think that's reasonable, given the potential consequences for consumers. And I don't think knowing the outcome slightly earlier would have made a difference to Mr and Mrs P's situation.

Mr P and Mrs P have told us they developed health problems after starting to go through the claims process and that they've faced financial problems, as well as great inconvenience. I'm very sorry to hear about the difficulties they're continuing to experience. But as I don't think Haven acted unreasonably, I can't uphold their complaint.

My final decision

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 P and Mrs P to accept or reject my decision before 7 August 2023.

Susan Ewins
Ombudsman