

The complaint

Mr H has complained that Haven Insurance Company Limited unfairly removed a vehicle he'd re-added to be covered to his Motor Trade Road Risks insurance policy.

What happened

Mr H has a Motor Trade Road Risks policy with Haven. He has to add vehicles he wants to be covered onto it via a system, so they appear as covered on the Motor Insurance Database (MID). He added a vehicle to the policy, which I'll refer to as 'vehicle M'. After 90 days he was told vehicle M was going to be removed from cover. So, he re-added it on 24 April 2023. He was then sent a text message on 28 April 2023 saying it would be removed from cover in six days, i.e. 4 May 2023. He was stopped by the police while driving it on 6 May 2023 and told it wasn't insured. He has been charged with driving without insurance and has to appear in court shortly with regards to this.

Mr H complained to Haven and said he didn't receive the text. Haven said the terms of Mr H's policy meant it was entitled to remove vehicle M and that it did notify Mr H it was going to do so.

Mr H asked us to consider his complaint. One of our investigator's did this. She eventually upheld it and said Haven should pay Mr H £500 in compensation for distress and inconvenience. This was on the basis that there appeared to be a flaw in Haven's system, as other vehicles that according to Haven should have also been removed after 90 days had not been. So, she thought it was understandable that Mr H didn't appreciate vehicle M would be removed.

Haven didn't agree with the investigator's view and asked for an ombudsman's decision. It said Mr H was made aware vehicle M would be removed from the policy on 4 May 2023 and he was therefore not insured to drive it.

I reviewed Mr H's complaint and emailed Haven. I explained that I intended to uphold Mr H's complaint and make it provide him with a letter of indemnity and pay £500 in compensation for distress and inconvenience. I said the reason for this was that it seemed that there was a flaw in its system and other vehicles that Mr H had added on in the same way as he did for vehicle M had not been removed after 90 days; so it didn't seem fair for him to be penalised for not realising this had happened with vehicle M. As Mr H is due in court on the charge of driving without insurance on 15 December 2023, I only gave Haven a short period to provide further comments and evidence.

Haven have provided an email from Mr H's broker which shows what I already knew, i.e. that Mr H was sent a text on 28 April 2023 saying vehicle M would be removed from cover in six days-time. It also provided evidence to show that other vehicles which were listed on Mr H's policy, as what the broker describes as 'in trade', that had been on it for more than 90 days, were removed at the same time as vehicle M. I think from what the broker has said that on the database vehicles that were 'in trade' would be noted as 'Customer' vehicles or possibly as 'Customer' vehicles or 'None'.

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 decided to uphold it and I've explained why below.

It seems from what it has said that Haven has a system whereby any vehicle that is added to the policy and shown as 'Type' 'None' or 'Customer' should be removed after 90 days and a text should be sent to Mr H letting him know this. And if such a vehicle is added back on with the 'Type' as 'None' or 'Customer' again it should then be removed and a text sent to Mr H informing him of this.

And the policy schedule Mr H was provided with does say that any insured vehicle he has held for 90 days must be registered to him and recorded on the Motor Insurance Database he has access to as a 'Personal Vehicle' or as a 'Customer Vehicle'. And that if they are not recorded as either of these they will be removed from cover after 90 days.

However, this is not it seems how the system works in practice. I say this because Mr H has provided clear evidence that several vehicles added on with the 'Type' as 'None' have remained on the policy well beyond 90 days. But it seems for some reason vehicle M was removed as it had been on cover 90 days and was added back on as 'Type' 'None'. And Mr H was at least sent a text informing him of this. For me, the problem is that Mr H wasn't expecting vehicle M to be removed because this hadn't happened previously with vehicles listed as 'None'. This means he wasn't expecting the text or aware that this vehicle was likely to be removed.

Also, I note that previously when vehicle M was removed Mr H received two texts. One telling him it was going to be removed in six days-time and one confirming it had been removed on the sixth day. But, from the evidence provided, it does not seem this happened with vehicle M when it was removed the second time. I think this is significant, as if Mr M had got a second text on 4 May 2023 saying vehicle M had been removed he may have queried this and either re-added it correctly or not driven it without insurance.

I'm also mindful of the fact that the broker has said it was not able to explain to Mr H about how to categorise vehicles he added as it did not have access to the database. This means he probably didn't fully appreciate the significance of the category he chose.

It seems as though there were other vehicles removed at the same time as vehicle M, but that these may have been listed as 'Customer' vehicles. If they were listed as 'None' then Haven still hasn't explained what these why removed along with vehicle M on that occasion when others listed as 'None' had not been removed after 90 days previously. It's also odd that the text Mr H received saying that vehicle M would be removed for a second time referred to the fact it had been 'In trade' for more than 90 days, when it was listed as 'None' as opposed to a 'Customer' vehicle. For me, the whole process seems unclear and confusing.

So, despite the fact I accept Haven sent a text telling Mr H vehicle M would be removed from cover after he had re-added it, I can understand why he didn't act on it and thought he was still insured to drive vehicle M when he was stopped by the police. In view of this, I do not think it would provide a fair and reasonable outcome to Mr H's complaint if I were to allow Haven to stand by its stance that Mr H should have realised vehicle M was uninsured and this means it cannot help him with regards to his pending prosecution. I think in the very unusual circumstances of this particular complaint, it is fair and reasonable for me to make Haven provide Mr H with a letter explaining that he didn't realise vehicle M was uninsured on

6 May 2023 when he was stopped by the police because of a flaw in its system and an inadequate notification process. And that it would have indemnified him under the policy if he had had an accident.

I also think the apparent flaw in Haven's system which led to Mr H not realising he was uninsured has caused him a considerable amount of distress and inconvenience. And I need to bear in mind the impact on Mr H was particularly significant because of his health issues. However, I also need to bear in mind he did miss one text message, which would have alerted him to the fact vehicle M was not going to be insured after 4 May 2023. And, while I appreciate the reason he missed this, I do think it should have a bearing on the level of compensation I award for distress and inconvenience. So, I'm satisfied the £500 suggested by our investigator is fair.

Putting things right

For the reasons set out above, I uphold Mr H's complaint and order Haven Insurance Company Limited to do the following:

- Provide Mr H with a letter explaining that he didn't realise vehicle M was uninsured on 6 May 2023 when he was stopped by the police because of a flaw in its system and an inadequate notification process. And that it would have indemnified him under the policy if he had had an accident.
- Pay Mr H £500 in compensation for distress and inconvenience.

My final decision

I uphold Mr H's complaint about Haven Insurance Company Limited and order it to do what I've set out above in the 'Putting things right' section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 January 2024.

Robert Short
Ombudsman