

The complaint

Mr S complains Haven Insurance Company Limited unfairly cancelled his contents insurance policy.

What happened

The details of the claim are well known to both parties, so I won't repeat them again here. Instead, I'll summarise the background and focus on the reasons for my decision.

Mr S had a contents insurance policy with Haven. In March 2023, he made a claim on it for damaged contents. Mr S was paid £130.20 for his claim (£280.20 less his excess of £150).

When Haven sought to recover its outlay from the third party (which I'll call the TP in this decision), the TP confirmed Mr S had already been reimbursed for his contents claim and his policy excess.

Haven contacted Mr S about this and explained he couldn't receive two payments for the same claim. It asked him to return the payment to it within 7 days. Mr S raised a complaint which Haven didn't uphold. In its response it asked him to pay back the £130.20 by 19 June.

On 12 June, Haven told Mr S it was cancelling his contents insurance policy on 19 June 2023 if the requested payment wasn't received. It wasn't and so his policy was cancelled with effect from 19 June.

A further complaint was raised by Mr S as he was unhappy with how Haven had dealt with the matter and corresponded with him. Haven considered this but didn't change its decision to cancel the policy. Mr S didn't think he'd been treated fairly, so he asked our service for an independent review.

The Investigator looked into matters. They thought Haven acted in line with the policy terms and didn't treat Mr S unfairly when it made the decision to cancel the policy. Further, they didn't agree Haven treated Mr S unreasonably or failed to accommodate his needs. So, they didn't uphold Mr S's complaint.

Mr S was unhappy with the Investigators recommendation. This matter has now been passed to me for a 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 recognise I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't

because I've ignored it. I've given careful consideration to all of the submissions made before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

Having done so, I must tell Mr S I think the investigator has reached a fair outcome here. So, I don't uphold his complaint in this matter. I'll explain why.

To cancel Mr S's cover, Haven relied on the follow term which is set out in the terms and conditions of Mr S's policy.

'We or Your Broker may cancel the insurance by sending 7 days' notice of cancellation to the email address held on file by Us or Your Broker, or to Your last known postal address (where We are unable to locate a valid email address). You will not be insured from the 8th day after the notice is issued to You. The notice will provide an explanation as to why Your policy is being cancelled.'

I don't find this term unreasonable given the nature of an insurance contract. Haven did give 7 days' notice to Mr S of its intention to cancel his policy. It also confirmed to him once the policy had been cancelled.

What I must decide, therefore, is whether Haven applied this term fairly.

As Mr S had been paid for his damaged contents by the TP and Haven, he'd recovered double the amount due to him. In this situation, it was fair for Haven to require Mr S to return to it the sum paid under his insurance claim as it was no longer able to recover this from the third party. Also, an insurance contract is designed to cover a person's loss – as Mr S's loss had been covered by the TP, he was no longer in a position where Haven was required to cover his loss. When he failed to return the money to Haven despite a number of requests, I consider it was fair and reasonable for Haven to give him notice to cancel the policy.

Further, I find it reasonable for Haven to decide the failure of Mr S to return the payment of £130.20 to it - even with the backdrop of what Mr S has said about his personal situation – allowed it to cancel Mr S's policy. I note Mr S says he told Haven he'd try to sort out payment when the head of complaints phones him. But it didn't need to do this for Mr S to have made payment - Mr S was already obligated to return this to Haven having recovered money for the same loss twice.

Turning now to the treatment Mr S says he received which he feels was shocking and disgusting. I also recognise Mr S says it's an unfair situation. But I don't see things the same way. From my review of the correspondence, I don't consider the level of service given to him by Haven fell below the standard I'd have expected. In fact, I'm satisfied the various complaint handlers acted professionally offering support and assistance, even when faced with challenging behaviours.

Mr S says he hasn't been treated fairly as Haven didn't listen or support him before cancelling the policy even though he was vulnerable and suffering from complex mental health problems. Whilst I understand Mr S feels this way, having looked at all the evidence, I don't think Haven has done so. Nor do I think Haven acted unfairly or unreasonably when making its decision to cancel his policy nor in its handling of the matter and communications. I hope it helps Mr S to know that someone impartial and independent has looked into his concerns.

I know Mr S will be disappointed with this outcome. But my decision ends what we – in trying to resolve his dispute with Haven – can do for him.

My final decision

For the reasons set out above, I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 November 2023.

Rebecca Ellis
Ombudsman