

The complaint

Mr O complains Haven Insurance Company Limited treated him unfairly by cancelling his motor insurance policy and declining his claim.

What happened

In January 2023 Mr O travelled in his van to a hotel. He was staying there to attend an electrician course nearby. Unfortunately his van was stolen. He claimed for theft against his Haven motor insurance policy.

Haven declined the claim. It said Mr O had said he had been attending the course in relation to work. His policy only covered social, domestic and pleasure use. So Haven said, as the purpose of the journey was work related, the theft wasn't covered.

Mr O complained. He denied he had been attending the course for work or employment purposes. He said it was for personal domestic knowledge unrelated to work. Haven didn't change its decision. It added that he had breached the terms of his policy by using the vehicle for a purpose he wasn't insured for. As a result it cancelled the policy.

Mr O wasn't satisfied so came to this service. He says the journey wasn't related to work or business – instead it was a personal trip. To resolve his complaint he would like his claim to be paid.

Our Investigator wasn't persuaded Mr O's journey was work related. So she recommended Haven reinstate the policy, reconsider his claim and remove any record of cancellation. Mr O accepted that outcome. As Haven didn't the complaint was passed to me to decide.

I issued a provisional decision. As its reasoning forms part of this final decision I've copied it in below. In it I explained why I intended to come to a different outcome to the Investigator. I set out why I felt it wouldn't be fair or reasonable to interfere with Haven's decision to decline the claim and cancel the policy. I also invited Haven and Mr O to provide anything further they would like me to consider before issuing this final decision. Neither provided anything.

what I've provisionally 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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr O and Haven have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything provided.

Having considered everything I think its most likely Mr O was using the vehicle for work or employment purposes when it was stolen. So I don't intend to interfere with Haven's decision not to pay his claim.

In a claim call with Haven Mr O explained he's a trainee electrician. He said that was why he was at the course. In the same call he confirms how he regularly uses the vehicle for work purposes – most recently for work as an electrician.

After Haven declined his claim, for him using the vehicle for work purposes, Mr O told this service he was actually attending the course for non-work related reasons – to gain knowledge of domestic electrics. He denied having described himself as an electrician – or trainee. He was unable to provide any details or confirmation of the course to support it being not employment related. His account of the circumstances of the events around the theft was, in places, inconsistent with what he told Haven earlier – including the length of the course.

Of most importance for me, however, is Mr O's mobile phone number and address being linked to internet adverts for an electrician service. I can share these with him if he would like to see them. So it seems he probably does work, or at least has worked, as an electrician as he originally said. Considering everything I think his initial account of his travel is the most likely one – and that he primarily used the vehicle for business or employment purposes.

In regard to the cover provided by Mr O's policy. He was only insured for social, domestic and pleasure use. I've already explained to Haven that he was asked, when taking out the policy, about the nature of his use of the vehicle. He wasn't asked what level of cover he would like. This means Haven's required to take into account the considerations of the Insurance Act 15 (IA15)

However, Haven's failed to provide requested information to show there's been a 'qualifying breach' (as required by IA15). So it hasn't shown it can use remedies, like avoiding the policy and declining the claim, available to it under IA15.

But I don't intend to require Haven to reinstate the policy and settle the claim. Considering Mr O's accounts of the use of his vehicle, if Haven had provided the requested information I think it's unlikely he would have ended up with a better outcome, under IA15, than a cancelled policy and declined claim. In addition his policy doesn't cover work or business use and Haven's referred to a term it feels allow it to cancel when the vehicle is used for purposes not covered. So I currently feel it wouldn't be fair or reasonable to interfere with Haven's decision to decline the claim and cancel the policy.

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.

Neither Mr O nor Haven provided anything for me to consider. So I don't have any reason to change the outcome I proposed in my provisional decision. That means I'm not going to interfere with Haven's decision to decline Mr O's claim and cancel his policy.

My final decision

For the reasons given above, I'm not going to interfere with Haven Insurance Company's decision to decline Mr O's claim and cancel his policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or

reject my decision before 3 January 2024.

Daniel Martin
Ombudsman