

The complaint

Mr F has complained about his motor insurer West Bay Insurance Plc due to his son, a named driver, being accused of speeding, with cancellation threatened, and then the policy being cancelled.

What happened

Mr F has a policy which requires a device to be fitted to the car which monitors how the car is being driven. Mr F was told his son had been speeding and the policy would be cancelled as a result. This happened twice. On both occasions it was found the device had recorded Mr F's son as being on a different road to the one he'd been driving on. West Bay explained this as "drift"; a natural phenomenon of the type of device in question where GPS signals are blocked, and the system assumes which nearby road the car is being driven along. In this case the road assumed by the system had a lower speed limit attached to it than where Mr F's son had actually been driving. So West Bay didn't cancel the policy.

West Bay sent Mr F a new device. It said it had to be fitted within seven days of the email date. Mr F fitted the device on day eight. So West Bay cancelled the policy. West Bay said Mr F owed it £109.59. This was net of the cancellation fee of £50 which it had waived. Mr F remained unhappy and complained to the Financial Ombudsman Service. The broker, which administers the policy on West Bay's behalf, began recovery action to get Mr F to pay the outstanding sum. This was placed on hold for a while whilst Mr F complained to the Financial Ombudsman Service. More recently Mr F has said the recovery company has agreed to hold the debt whilst his complaint is finalised by this service.

Our Investigator reviewing the complaint, felt that the cancellation had been reasonable but that Mr F had been caused distress and inconvenience by poor service from West Bay. In the circumstances he felt it would be fair for Mr F to be compensated by West Bay waiving the outstanding amount of £109.59.

Mr F said he was happy with that outcome. West Bay said it didn't think that was fair because no 'error' had actually occurred. West Bay said what had happened was just a natural consequence of the device installed and that once identified its processes had been followed correctly to rectify matters. Our Investigator said he wasn't persuaded that it was fair that Mr F had suffered worry and inconvenience in the way that he had. He maintained his view that the outstanding sum should be waived in this instance. The complaint was passed to me for an Ombudsman's 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.

Cancellation

West Bay's policy does require the device it supplies to be fitted. West Bay provided a new device and gave Mr F seven days to fit it. That became five by the time the device was received by Mr F. And the car wasn't available to Mr F in that time. But Mr F didn't tell West

Bay he wasn't going to be able to fit it in the deadline provided. I think if he had, West Bay would have extended that. Because Mr F didn't fit the device within the deadline given, it was fair and reasonable of West Bay to cancel the cover. That left Mr F owing West Bay £109.59 which it was entitled, due to its reasonable cancellation, to expect him to repay. So I don't think West Bay failed Mr F in this respect, including in it having started debt recovery activity to obtain payment.

Speeding

That said I can see that during the term of the policy Mr F was caused upset when West Bay contacted him to advise his son had been speeding, with cancellation also being threatened. I understand that was distressing for Mr F. With frustration being added too when it happened for a second time. I note what West Bay says about the device it provides being imperfect technology, and that once the error with the technology was found to be the cause of the speeding accusation, it corrected matters. But Mr F was entitled to expect the device would work reasonably well, after all his premium is based on the data the box gathers. So I think he'd have thought it would be reasonably accurate – I don't think he'd have foreseen it was capable of causing the inaccuracy it did, with that presenting the threat of cancellation. Twice.

In this sort of circumstance I'd probably award compensation of around £150. But I note that following West Bay's cancellation for the device not being fitted correctly, Mr F reasonably owed it £159.59. With the £50 cancellation fee which had made up part of that sum, being waived, reducing that to £109.59 outstanding. I also note that in response to our Investigator's view, Mr F seems content to have the amount waived rather than receiving money as compensation. So, on this occasion, I'm satisfied that requiring West Bay to waive the remainder of the amount owed to it following cancellation (£109.59), is fair and reasonable compensation.

Putting things right

I require West Bay to waive the sum of £109.59, updating its records to show Mr F owes a nil balance, making sure to update the recovery company that nothing is due.

My final decision

I uphold the complaint. I require West Bay Insurance Plc to provide the redress set out above at "Putting things right". Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 12 September 2023.

Fiona Robinson

Ombudsman