

## The complaint

Mrs A and Mr K complained that Advantage Insurance Company Limited cancelled their motor insurance policy.

## What happened

The background to this complaint is well known to both parties, so I won't repeat it again here. In summary Advantage cancelled Mrs A and Mr K's telematics motor insurance policy in April 2023. It said it did so as it hadn't received any data for more than 28 days. In accordance with the policy terms Advantage gave notice of cancellation and refunded the premium paid, excluding time on risk.

Mrs A and Mr K didn't think this was fair – they had been out of the country and hadn't received the notification. They hadn't received the policy terms originally either. They complained to our service. Ultimately our investigator recommended that the complaint be upheld, the policy be reinstated, and the cancellation marker removed.

Mrs A and Mr K agreed but Advantage appealed. It said that it had done everything it needed to in accordance with the policy terms.

I issued a provisional decision and invited the parties to respond. I said as follows:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*I'm aware I've summarised the background to this complaint. No discourtesy is intended by this. Instead, I've focused on what I find are the key issues here. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I've reviewed the complete file and considered the representations made after our investigator's view. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.*

*I agree with the recommendation made by our investigator. However, I've reached a different conclusion regarding redress, for this reason I'm issuing a provisional decision. My reasons are as follows:*

- *Advantage says that the evidence it has submitted supports that it followed the terms and conditions of the policy, which Mr K would have needed to read and accept prior to purchasing the policy.*
- *Mrs A and Mr K agree that they received the insurance information product document (IPID), but not the other documents contained in the welcome pack. Advantage says these were uploaded to the online portal which appears to be live as it has received responses from Mrs A and Mr K through the portal. But Advantage hasn't been able to say when such responses were received or indeed confirm if Mrs A and Mr K had been able to successfully access the important information in the policy document.*

*Accordingly, I'm not persuaded that Mrs A and Mr K had seen the important information contained in their policy document or had been able to access it online.*

- I can see that two communications were sent by Advantage to Mrs A and Mr K on 7 February and 17 March 2023. But neither mention cancellation of their policy or alerted them to the fact that this was a possibility. Further contact was sent via email and the online portal on 31 March 2023 and the cancellation was sent in the same way on 14 April 2023. But Mrs A and Mr K were by then away for a month in a country with very sporadic internet access. It follows that I'm not persuaded that they either received the policy documents containing the insurer's right to cancel after 28 days of no driving data being shared, or the notice of cancellation.*
- It is not for this service to tell insurers how to operate. It is clear it has a process in place. It may well be that usually this works well. And I accept that Advantage is not responsible if consumers have poor internet access. But I'm not persuaded that Mrs A and Mr K were aware of the policy term that required them to let Advantage know that they weren't driving. Or that Advantage intended to cancel their policy. Although strictly the policy terms allow the action that Advantage has taken, I don't find it to be fair and reasonable in the unique circumstances here.*
- I'm therefore minded require Advantage Insurance Company Limited to remove the notice of cancellation. I find this to be the fair and reasonable outcome. But unlike our investigator I'm not minded to require Advantage to reinstate the policy. This is because Mrs A and Mr K have been without insurance for several months. They haven't been able to use their car and have had a premium refund, just excluding time on risk. If I required Advantage to reinstate the same policy, it could fairly require Mrs A and Mr K to return the premium refunded.*

My provisional decision was that I was minded to require Advantage Insurance Company Limited to remove the notice of cancellation from all internal and external databases.

Mrs A and Mr K accepted my provisional decision Advantage didn't. It said that correspondence is sent to the online portal for customers to review. In addition, it sent a copy of the email sent to Mrs A and Mr K on 31 March 2023 to highlight the pending cancellation. It also sent screen shots of the journey customers go through when they select a quote from the comparison website.

### **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'm grateful to Advantage for its further submissions which I have considered. I understand why it feels aggrieved. The documentation Advantage has submitted is clear, customers use the online portal to view policy documents including the policy booklet. But I'm not persuaded to change my provisional findings, which I adopt here. I'll explain why.

The information provided by Advantage is not new, and so I remain satisfied it would be fair and reasonable to remove any record of cancellation from all databases. Importantly I wasn't satisfied that Mrs A and Mr K had seen the policy document – the You Drive Booklet – prior to the cancellation of their policy. And although correspondence was sent to their portal after the policy started, it didn't warn them of cancellation. Advantage correctly informed Mrs A and Mr K of the issue on 31 March 2023 –but for no fault of their own (or of Advantage's) they weren't able to access this. It follows that my findings haven't changed.

Advantage has said it has not recorded this as a cancellation – but it had not advised this Service of that previously.

### **My final decision**

My final decision is that I uphold this complaint. I require Advantage Insurance Company Limited to remove the notice of cancellation from all internal and external databases.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr K to accept or reject my decision before 20 December 2023.

Lindsey Woloski  
**Ombudsman**