

The complaint

Mr F complains about the service provided by Advantage Insurance Company Limited after he took out a motor insurance policy. In particular, around the cancellation of his policy.

Advantage are the underwriters (insurers) of this policy. Some of this complaint concerns the actions of their appointed agents. As Advantage accept they are accountable for the actions of their agents, in my decision, any reference to Advantage should be interpreted as also covering the actions of their appointed agents.

What happened

The background to this complaint is well known to Mr F and Advantage. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mr F took out a motor insurance policy with Advantage in early June 2023. One of the conditions of the policy was Mr F needed to use a telematics box and app. It also needed to regularly report driving data to Advantage.

On 26 June 2023, Advantage let Mr F know that they hadn't been receiving any data. Mr F says he checked his app and all appeared to be working ok. On 10 July 2023, Advantage contacted Mr F and told him the policy would be cancelled if they didn't start receiving data.

On 13 July 2023 Advantage gave Mr F notice that they'd be cancelling the policy on 3 August 2023, unless he got in touch with them. Shortly after this, Mr F cancelled the policy himself, on 24 July 2023.

Mr F has said that, from his perspective, the telematics box was working fine. He says he was on holiday for two weeks and this is why no driving data was recorded. He says he spoke to Advantage on 12 and 13 July 2023 and was told that the policy would be cancelled on 3 August 2023 as his driving score was too low over the previous month – based on the data recorded.

Mr F complained to Advantage. They didn't uphold the complaint and he referred it to our Service for an independent review. Our Investigator recommended that the complaint be partially upheld and that Advantage pay Mr F £150 compensation and reimburse any admin costs including the telematics fee.

As Mr F accepted the Investigator's recommendation and Advantage didn't respond, the complaint was referred to me for a decision. I recently sent both parties a copy of my provisional, intended findings. Both acknowledged receiving the decision. As the deadline for responses has now passed, I've considered the complaint for a final 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address

every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

Prior to responding to my provisional decision, Advantage have not engaged effectively with our Service during the course of our investigation into this complaint. For context, the last contact we had with Advantage prior to their 31 January 2024 email, was on 18 August 2023. This is unacceptable.

I've considered both parties comments following my provisional decision, but nothing that materially changes the outcome I'd intended to reach has been provided. Therefore, the findings from my provisional decision still stand and form the basis of this, my final decision.

Our investigator made numerous information requests for Advantage to send important information, yet each time an excuse was provided for not being able to meet the deadline. Despite fair time extensions being granted, the information or responses weren't received. This is very disappointing.

We requested information on 24 August 2023, 30 August 2023 and 3 October 2023. In addition, Advantage had the opportunity to respond to our Investigator's assessment dated 23 October 2023 but they didn't. A chaser was sent on 6 November 2023 and notification that this complaint was being referred for a decision on 13 November 2023.

Advantage's recent email following my provisional decision doesn't fully address everything asked for. This means that I've relied on the available evidence when coming to my decision. That is - the information available to me now after both parties were given a fair opportunity to provide their side of the story and any supporting evidence they wished to rely on to support their position. The relevant DISP rules for the approach I'm taking here are DISP 1.4.4 and DISP 3.5.14:

“Co-operating with the Financial Ombudsman Service

Where a complaint against a respondent is referred to the Financial Ombudsman Service, the respondent must cooperate fully with the Financial Ombudsman Service and comply promptly with any settlements or awards made by it.”

And:

“If a respondent fails to comply with a time limit, the Ombudsman may:

(1) proceed with consideration of the complaint; and

(2) include provision for any material distress or material inconvenience caused by that failure in any award which he decides to make.”

My decision will focus on how Advantage went about taking the decision to tell Mr F they were going to cancel his policy and the service offered. This is important as Mr F complained to Advantage about them telling him the policy would be cancelled (final response letter dated 21 July 2023) prior to him proactively cancelling the policy on 24 July 2023.

The cancellation reason

Advantage have said that Mr F hadn't made them aware that he'd be out of the country between 27 June 2023 until 11 July 2023 and therefore they were unable to account for it or make reasonable adjustments at that time. But I wouldn't reasonably have expected Mr F to make Advantage aware that he was going on holiday and wouldn't be driving for around two

weeks, nor have I seen supporting evidence that this was a requirement under the policy.

Based on the lack of response from Advantage, I've to consider the available information and based on what I've seen, on balance, I find they've caused Mr F avoidable trouble and upset when telling him they intended to cancel his policy. Based on Mr F's account, he was given contradictory and unclear information at various points – particularly in a conversation after he returned from holiday when he says he was given the impression he'd be given the opportunity to improve his score - but then received a cancellation notice shortly afterwards.

I also note that Advantage have provided us with a document suggesting this was an insurer led cancellation. For example, a letter dated 24 July 2023 stated: *"Your policy has been cancelled as your driving score didn't stay above 30."* For clarity, if this cancellation was recorded as insurer led I'd consider that to have been unfair. But as it's now been confirmed it was treated/recorded as customer led, I don't seek to interfere with it.

In their response to my provisional decision, Advantage stated:

"This cancellation is not stored on any external databases (we as a business do not record cancellations externally) and Mr F [name redacted by Ombudsman] need not notify any future insurers of this, as is advised within the policy booklet whereby a customer chooses to cancel a policy ahead of the diaried [sic] date for us to do so ourselves."

Therefore, my previous intended direction that Advantage need to provide a letter of indemnity is redundant.

The impact on Mr F

In his complaint form, Mr F has told us he's had to find a new insurance policy elsewhere that was more expensive. He also says he suffered stress and wants to be reimbursed for the premiums he'd paid prior to cancellation. But I won't be directing Advantage to cover any greater cost of the new policy – as ultimately Mr F chose to cancel this policy himself, likely to avoid the need to declare an insurer led cancellation going forward.

I accept that this decision will largely have been driven by the threat of having an insurer led cancellation hanging over him, but I find the £150 compensation our Investigator recommend to be fair reasonable and proportionate.

Our Investigator recommended that Mr F be refunded any administration costs - including the telematics fee. The paperwork provided only shows a £20 cost for providing the box. I find that Advantage don't need to refund this cost as it was a reasonable cost, made clear, a condition of the policy and Mr F had the benefit of cover during the time period from policy inception until he cancelled the policy. I also note that no cancellation fee was charged.

I've not seen any evidence that Mr F has incurred any additional costs by having the telematics box.

In his complaint form, Mr F has also referred to wanting Advantage to reimburse him for the premiums he'd paid whilst the policy was live. I won't be directing Advantage to do this as Mr F had peace of mind and the benefit of cover - had he needed to make a claim during that time period.

Advantage want regular driving data to build up a picture of the driving habits and risk the policy holder presents over a period of time (and it was a condition of the policy). There is no suggestion or evidence that Mr F was actively preventing the data being sent to Advantage

and he did make reasonable attempts to engage with Advantage prior to the intended cancellation notice being sent to him. the recent driving data presented by Advantage doesn't change my view on what's happened here.

Ultimately it appears in this specific case there likely was: 1- an issue with Advantage receiving the data and then 2- another issue of Mr F not driving the car whilst away on holiday for around two weeks.

Putting things right

Advantage Insurance Company Limited need to pay Mr F £150 in recognition of the impact of their actions on him.

I award 8% simple interest per annum (on the award of £150), to begin four weeks after the date of this final decision (assuming Mr F's acceptance). This reflects that I'm allowing a reasonable time period for the compensation to be paid before the interest would kick in. If payment is made to Mr F before 1 March 2024, no interest needs to be added.

My final decision

I partially uphold this complaint. Advantage Insurance Company Limited need to follow my direction, as set out under the heading '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 1 March 2024.

Daniel O'Shea
Ombudsman