

The complaint

Dr A complains that IGO4 Partners Limited (“IGO4”) increased the premiums on his car insurance policy as a result of the telematics box score and subsequently cancelled his policy.

What happened

Dr A took out his telematics car insurance policy with IGO4 in January 2023. The policy involved installation of a telematics device used to assess driving behaviour. The policy premiums were calculated using an ongoing driving behaviour score.

A few months after the start of the policy a driving review showed Dr A’s driving score had dropped, so an additional premium was applied in line with his policy terms. Dr A noted the score for acceleration was zero from the start of the policy – and this caused the overall score to drop significantly. So, Dr A called IGO4 to dispute the data.

IGO4 say there were no issues with the device and emailed Dr A confirming the additional premium would need to be paid or the policy would be cancelled.

Dr A complained about data and received confirmation the matter was being investigated. But, in the meantime, the policy was cancelled for non-payment. Dr A contacted IGO4 to say a complaint response was awaited so the policy shouldn’t have been cancelled. Dr A asked if payment could be made and the policy reinstated but was told that wasn’t possible. As a result Dr A lost the No Claims Discount (NCD) and had to purchase a new, more expensive, policy.

IGO4 investigated Dr A’s concerns regarding the telematics device. It said the device provider confirmed there were no anomalies and the data was correct. IGO4 said the driver behaviour score was such that the cost of insurance had gone up so the additional premium was due.

Following non-payment of the premium Dr A’s policy was cancelled in line with the policy terms. IGO4 explained speed and acceleration are two separate parameters and are measured differently. Speed is how fast the driver is traveling while acceleration is the rate of which the speed of the vehicle changes. So if a driver regularly accelerates excessively the overall score decreases.

Dr A wasn’t satisfied with the response from IGO4 so asked our service to look into the complaint. One of our investigators did so. She said she didn’t think IGO4 had treated Dr A fairly. IGO4 gave Dr A notice of cancellation of the policy but at that stage it was aware Dr A had raised concerns regarding the data being relied on; so she didn’t think it was fair that the policy was cancelled. The investigator said the data showed the acceleration hadn’t fluctuated since 17 January 2023; and she found this highly unlikely. The investigator upheld the complaint and said the cancellation marker should be removed from CUE with a letter of explanation provided for Dr A. She also said IGO4 should pay Dr A £200 for the distress and inconvenience caused.

IGO4 didn't agree – it said when the complaint was initially investigated the box provider and data provider checked to ensure the data was recorded correctly, and no anomalies were detected. It said this was checked again when Dr A's complaint was referred to this service. Because an agreement couldn't be reached the complaint has come to me to decide.

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.

Having done so, I'm upholding Dr A's complaint. Let me explain.

My starting point is Dr A's motor policy documents. The schedule of insurance shows Dr A took out a telematics comprehensive policy. The telematics insurance booklet sets out the terms and conditions and it says, *"we may adjust your premium on a monthly basis during the policy term to reflect how you are driving. This may result in either a reduction or additional charge. We will keep you informed of how you are driving by displaying your driving score on your customer dashboard."*

These terms are not unusual in telematics policies, and I find them fair. I think the terms are clear that Dr A's premium might increase or decrease depending on the driving score. So when IGO4 wrote to Dr A to say the driving score had impacted the cost of the premium, it was acting within the terms of the policy.

I've looked at the data IGO4 has provided from the telematics device. It says no faults were reported; and when it received Dr A's complaint it checked whether there were any anomalies or faults detected with the telematics box but didn't find any. The data covers January 2023 to July 2023.

Our investigator asked IGO4 to explain how the acceleration score remained at zero from 17 January 2023. IGO4 say the acceleration and braking scores are sensitive and can be impacted by factors such as the type of traffic driven in. So, for example, if you regularly drive at peak times in slow moving traffic it will increase the number of times the driver would need to apply brakes or accelerate. If any of the braking or acceleration events are recorded as harsh this would have an impact upon the acceleration and/or braking scores. IGO4 say that's the reason these measures have less of an impact on the overall driving score than other areas. IGO4 say the telematics device uses an internal accelerometer which measures changes in velocity. IGO4 say if there was a fault with the accelerometer the acceleration and braking score would be equally scored at zero – but because the score for braking was greater than zero it shows there's no issue with the device.

But I don't think IGO4's explanation really answers the question asked by the investigator. I have considered the data, graphs, and testimony provided by IGO4. IGO4 say the Financial Ombudsman are not specialists within this field but we don't need to be. We rely on the evidence provided to decide what's fair and reasonable in the circumstances of the case.

So thinking about what's fair and reasonable here, while I don't dispute what IGO4 say about the data, I don't think it has adequately explained the anomalies with the acceleration score. Despite being asked, IGO4 has also not explained why there has been an acceleration score of zero since 17 January 2023; when it says changes in velocity are measured.

Dr A had raised concerns about the data used as far back as May 2023 but didn't receive a satisfactory explanation, and I don't think that's fair. Especially since the consequences of a low driving score are significant for Dr A.

Given what I've explained above it follows that I don't think IGO4 acted fairly in cancelling the policy for non-payment; there are credible concerns with the evidence it is relying on to increase the premium. I have set out how it can put things right below. So on balance and on the information available, the policy was cancelled unfairly. IGO4 should therefore put things right.

Dr A would have been distressed about being told his driving score was too low. And having a policy cancelled and find alternative cover would have been a hassle. Like the investigator, I find compensation is appropriate and I agree £200 fairly and reasonably reflects the impact this matter had on Dr A. This is in addition to what I have set out below.

Dr A was concerned about having to disclose the policy cancellation to future insurers. I'm pleased to see the cancellation of the policy doesn't need to be disclosed to future insurers so Dr A shouldn't be further impacted by what happened.

Putting things right

IGO4 should;

- Remove any cancellation marker from CUE and send Dr A a letter of explanation to evidence this,
- If Dr A's insurer is unable to recalculate the 2023/2024 premium and refund the difference then IGO4 should pay this to Dr A,
- Pay Dr A £200 for the distress and inconvenience caused.

My final decision

For the reasons explained I'm upholding the complaint and direct IGO4 Partners Limited to put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 August 2024.

Kiran Clair
Ombudsman