

The complaint

Ms R complains Advantage Insurance Company Limited cancelled her motor insurance policy unfairly.

What happened

The details of this complaint are well known to both parties, so I won't repeat them here. Instead, I will focus on the reasons for my 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.

Ms R took out a telematics motor insurance policy with Advantage. The policy says Advantage can cancel the policy if the driving score drops below 30 (out of 100). If this happens, Ms R won't be charged a cancellation fee and she can cancel the policy herself, meaning she won't need to disclose it as an insurer cancellation to future insurers. These terms are not unusual, and I find them fair.

Ms R's policy started on 30 May 2023 and following Advantage saying it would cancel the policy because of a low driving score, Ms R cancelled the policy, effective 29 June 2023. Advantage charged Ms R for time on cover, but no cancellation fee. There is a separate complaint about the balance owed following cancellation, so I won't comment on that here.

Ms R's complaint is that the policy shouldn't have been cancelled. She says, in brief, she had technical difficulties with the telematics box/app from the start, and when Advantage later said it would cancel the policy, the app showed her score was 37 and that many of her trips hadn't been scored. She's provided our service with some evidence to support this.

Advantage said in its final response letter the matter had been discussed with its telematics team and it was confirmed the app was recording correctly and was not faulty. It said the same to our service. On 21 September 2023 the Investigator asked to see the driving data, amongst other things. Advantage didn't respond, despite chasers.

On 13 October 2023 the Investigator considered the limited information available to him and recommended the complaint should be upheld. This was because he wasn't persuaded Advantage had cancelled Ms R's policy fairly. He recognised this matter had caused Ms R unnecessary distress and inconvenience and thought Advantage should pay her £200 compensation to resolve the complaint.

Ms R broadly accepted the Investigator's recommendation, although she said she wanted to be reimbursed her premiums. She says she was charged £173 for 30 days' cover, which is too much. However, as set out above, that is being dealt with as a separate complaint, and so does not form part of this decision.

Advantage didn't respond to the Investigator in a meaningful way, or provide the driving data or other evidence, despite email chasers, a call from the Investigator, and saying it would. As the matter can't be resolved informally, I must now make a formal determination.

I find this complaint has merit. Ms R has argued – and presented some evidence to show – the policy shouldn't have been cancelled because her driving score wasn't below the minimal level. Advantage, despite multiple opportunities over two months, hasn't provided any evidence to the contrary. I, like the Investigator, find on balance, and on the limited information available, that the policy was cancelled unfairly. Advantage should therefore put things right.

It's clear there were communication issues in the lead up to the cancellation, and with the cancellation itself. And Ms R had been distressed about being told her driving score was too low, when her own data showed it wasn't. And having to cancel a policy and find alternative cover would have been hassle. Like the Investigator, I find compensation is appropriate, and I agree £200 fairly and reasonably reflects the impact this matter had on Ms R. This is in addition to the £30 Advantage paid Ms R for poor complaint handling.

My final decision

I uphold this complaint and require Advantage Insurance Company Limited to pay Ms R £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 22 December 2023.

James Langford
Ombudsman