

## **The complaint**

Mr P complains that Advantage Insurance Company Limited cancelled his telematics motor insurance policy. He wants it to remove records of the cancellation from any external databases. Mr P is represented in this matter by Ms M.

## **What happened**

Mr P took out a telematics policy with Advantage and he was required to pair the telematics device it provided with the required app. Advantage wrote to and emailed Mr P three times to tell him to do this and it warned him that it would cancel the policy if he didn't make the pairing. Mr P registered the app and logged in and so thought he had completed what was required. But he hadn't paired the device and the app and so Advantage cancelled the policy. Mr P wanted the cancellation record removed so that he need not report it to future insurers.

Our Investigator recommended that the complaint should be upheld. He thought Advantage had given Mr P sufficient instructions and warnings to set up and pair the device and app. And as Mr P hadn't paired them, he thought it was fair and reasonable for Advantage to cancel the policy. But he thought Mr P had made an honest mistake. And so he thought Advantage should remove any records of the cancellation and provide Mr P with a letter telling him that he need not disclose the cancellation in the future.

Advantage replied that it didn't have evidence that Mr P had made an honest mistake. It thought he hadn't met the policy's terms and conditions, so it had correctly cancelled the policy. And it thought it and Mr P should disclose this to other insurers if asked. It thought this was consistent with treating all customers fairly.

## **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 can understand that Mr P felt frustrated and upset when his policy was cancelled. He has explained that the app was activated before the date required by Advantage. He said he didn't receive any warning after this and before cancellation that he needed to do anything further. Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

Advantage said that Mr P had logged in and activated the app successfully, but he hadn't paired the app and the device so it wouldn't record or transmit any driving data. Advantage said it was the policyholder's responsibility to ensure that the device and app were working correctly.

I can see that Advantage sent Mr P instructions about the telematics device. These were step by step. There was also a short video which would take him through the steps required, including how to pair the app and his phone. He had to download the app to his phone, register it, set it up with various permissions and then follow the instructions to pair the app and device. He could then check his driving score after his first journey.

Advantage also warned Mr P that the policy would be cancelled unless the device and app were paired as soon as the device arrived.

Mr P was away at the time the device was sent, and he hadn't warned Advantage about this. So it sent him two reminders by post and email giving him a deadline or else the policy would be cancelled.

After Mr P received the second warning, he then downloaded the app, registered it and logged in. The app said it was active, and so he thought he had done all that was needed before Advantage's deadline. Mr P said he heard nothing further until he received the cancellation notice.

I think if Mr P had read the welcome pack sent when he took out the policy or watched the video sent by link by Advantage then he would have seen that there was a last step to take to pair the device and the app. But unfortunately he doesn't seem to have looked at the video or recalled the instructions and so he didn't make this pairing.

And so Advantage then cancelled the policy as it had warned Mr P it would because he was in breach of the policy's terms and conditions. I think it had provided sufficient instructions and warnings beforehand. And so I can't say that Advantage acted unfairly or unreasonably when it cancelled the policy and then refunded Mr P's premium less a charge for his time on cover.

Cancellations aren't recorded on the Claims and Underwriting (CUE) database. But Advantage has explained that, if asked, it would have to tell other insurers that the policy had been cancelled. Advantage warned Mr P of this in its response to his complaint:

*"The policy underwriters are very strict about cancelling a policy if the terms are not adhered to, and it would still be notifiable to future insurers that the policy was cancelled as the terms were broken."*

So the consequence for Mr P of the cancellation is that he would have to disclose this to future insurers, and this would have an effect on his future policies. But I agree with the Investigator that this would be unfair and unreasonable in Mr P's particular circumstances. This is because I'm persuaded that the mistake Mr P made was an honest one. This is because:

- Mr P had downloaded and registered the app and logged in. He said the app was active and he thought he'd done what he needed to do. I think it's unlikely that he would do this and then decide not to pair the device when he knew that cancellation was threatened.
- Advantage didn't contact Mr P again after he'd set up the app, even though it could see it was active but hadn't been paired.
- Mr P contacted Advantage as soon as he received the cancellation letter as he thought he'd complied with its instructions and done all he needed to do.

So I think, considering the particular circumstances, having to disclose the cancellation in the future is a harsh outcome for Mr P, and so it's unfair and unreasonable. And, to put things right, I think Advantage should remove any records of the cancellation from any external databases where it's been recorded and provide Mr P with a letter explaining that he doesn't need to disclose the cancellation to future insurers.

Advantage said it needs to treat all customers consistently. But we consider each case on its individual merits.

### **Putting things right**

I require Advantage Insurance Company Limited to remove any records of the cancellation from any external databases where it's been recorded and provide Mr P with a letter explaining that he doesn't need to disclose the cancellation to future insurers.

**My final decision**

For the reasons given above, my final decision is that I uphold this complaint. I require Advantage Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 29 February 2024.

Phillip Berechree  
**Ombudsman**