

The complaint

Miss F complains Advantage Insurance Company Limited (Advantage) unfairly decided it was going to cancel her telematics motor insurance policy.

Advantage are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Advantage have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Advantage includes the actions of the intermediary.

What happened

Miss F held a motor insurance policy with Advantage. The policy terms and conditions required her to use a telematics device on her car to monitor her driving and calculate a driving score. The score should not drop below 30.

Advantage sent Miss F notice of its intention to cancel her policy before the end of the term. It said this was because Miss F's driving score had dropped below the required score.

As Miss F was not happy with Advantage, she brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and thought Advantage would have been able to cancel the policy fairly before the end of the policy term. However, they said for the distress caused to Miss F due to its failure to send her a warning about her driving score it should pay Miss F £100 compensation.

As Advantage is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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 saw Advantage wrote to Miss F on 5 June 2023 and gave her notice of its intention to cancel her policy on 26 June 2023 because her driving score had dropped below the required score of 30.

Miss F contacted Advantage as soon as she became aware of the cancellation notice. I listened to the call. Although Miss F accepted her driving score had dropped below the required level she said she was not given any opportunity to rectify this. She said on a previous occasion in November 2022 she had received notification that her score had dropped.

Miss F said Advantage should have warned her that her score had dropped as per the terms and conditions of her policy. Advantage told her it did not send a warning letter because her driving score had dropped too quickly.

There was discussion about how the score was calculated and Advantage said she could speak with the telematics team so it could explain in more detail. But confirmed it would not reinstate her policy and told her it was closing her complaint.

I saw after Miss F made her complaint to our service that Advantage then said it did not need to send her another warning letter as it had already warned her in November 2022 when her score had got close to the minimum. Advantage confirmed it did not send out second warnings.

I looked at the terms and conditions of the motor insurance policy. On page 42 it says; *"If your driving score comes close to 30, you'll be able to see this clearly in the app and we'll also make sure you're notified to give you a chance to improve it before it drops to 30."*

It continues to say;

"If your driving score falls to 30 or below, we'll get in touch and give you plenty of time to take the appropriate action."

On page 47 it says;

"We and your insurer can also cancel your policy at any time by sending the primary policy holder 21 day's written notice (cancellation date) to the last postal or email address on our system, stating why the policy has been cancelled. We can only do this for one of the following reasons and subject to your right to cancel at any time prior to the cancellation Date:

- *Your Driving Score drops to 30 or below*
- *Your Driving Score drops to 30 or below and we offer you continued cover in return for the payment of an additional Premium but payment of this additional premium is not received prior to the cancellation date*
- *You have more than once driven 30 MPH above the road speed limit".*

I considered if a warning letter should have been sent by Advantage before the cancellation notification was sent. I saw the letter sent to Miss F in November 2022 said it had noticed her driving score was getting close to the minimum. It told her where to find tips on how to get her score up and reminded her if her score fell to 30 or below, her policy would be cancelled. It told her to keep her eye on her score in the app.

I saw Miss F's driving score fell again in February 2023. It is her responsibility to keep track of the score of her driving in the app, and as such she should have noticed this and taken action to improve it. I don't think it is reasonable for Advantage to send a warning notification each time her score started to drop.

I can understand why Miss F may have thought she would be warned on each occasion. The wording in the policy terms and conditions is not clear that it would only send one warning letter and not a warning each time her score fell. Neither were Advantage clear to her during the call in June 2023, because it said it had not been sent as her score had dropped too fast.

I found the cancellation notice given to Miss F was within the terms and conditions of the policy as it gave 21-days' notice, and there was a valid reason for cancellation as her driving score had dropped below the minimum level required.

For this reason I do not require Advantage to do anything further about the actual cancellation of Miss F's policy. But I partially uphold her complaint due to its lack of clarity regarding warning letters. Advantage's Advisor failed to give the correct explanation about its reasons for not sending a warning letter before it gave notice to cancel her motor insurance policy.

Therefore I require Advantage to pay her £100 in compensation for the confusion caused .

My final decision

I require Advantage Insurance Company Limited to pay Miss F £100 compensation for the confusion caused due to its lack of clarity about its reasons for not sending another warning letter before it gave notice to cancel her motor insurance policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 28 February 2024.

Sally-Ann Harding
Ombudsman