

The complaint

Mr F complains West Bay Insurance Plc unfairly cancelled his telematics motor insurance policy.

The policy is administered by an insurance intermediary, who I'll call B in this decision, and it's underwritten by West Bay. So, as West Bay is ultimately responsible for the policy cancellation, I will refer to it throughout this decision, although the actions were taken by B.

What happened

The details of the claim are well known to both parties, so I won't repeat them again here. Instead, I'll 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.

I recognise I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all of the submissions made before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

Where there's a dispute about what happened, I've based my decision on what I think's more likely to have happened in light of the evidence.

In a matter like this, the first place to start is the contract – the policy document – to determine whether the relevant terms and conditions have been applied correctly and in a way which is fair and reasonable. West Bay is entitled to cancel Mr F's policy on 7 days' written notice if there are serious grounds to do so. The policy states this includes where the telematics device '*detects unacceptable driving behaviour, such as the insured vehicle being driven dangerously or at excessive speeds*' or '*detects an event of extreme speeding*'.

Having considered the data, I didn't agree the answers given about the veracity of the data relied on to cancel Mr F's policy were sufficient to show the cancellation of Mr F's policy was in line with the policy terms and fair and reasonable. I agreed with the Investigator when she said the telematics tracking company (who I'll refer to as T) stating they are true occurrences doesn't make it so, nor does providing screen shots of parts of the results. So, I asked West Bay to show, with evidence, why it's fair for the data to be relied on to cancel Mr F's policy. This is especially since journeys in February were discarded as being inaccurate due to GPS drifts but journeys in March have similar - if not the same - hallmarks and have been relied on to cancel his policy.

I specifically noted the following points in my correspondence with West Bay.

- Mr F's car was recorded travelling at 115mph (in March) as his maximum speed. The manufacturers specifications shows a maximum speed of 99mph for Mr F's car. Speeds of 121mph and 138mph were recorded in February and this data was discarded.
- There were also times Mr F's car was recorded as travelling for long periods of time such as over 7 hours to travel 42.4 miles (4 March), over 5 hours to travel 22.4 miles (5 March) and nearly 4 hours to travel 36.9 miles (12 March – one of the journeys relied on to cancel this policy). On these occasions, his average speed was 10mph or below. Similarly long journeys with low average speeds were recorded in February and this data was discarded.
- On 16 March – also relied on to cancel Mr F's policy – the data shows Mr F was travelling at 25mph and after 19 seconds was travelling at 40mph and then a further 1 second later he was travelling at 50mph – all in a 30 zone. Again, this was in a car with a 1l engine.
- Mr F wasn't told at any point there were journeys which had been removed but that any new correspondence about similar issues needed to be responded to by him.
- Mr F explains his location moved across different roads in the middle of journeys recorded such that his speed which was fine on one road was then considered speeding on another which he couldn't have jumped across to for a matter of seconds before returning to the original road he was recorded on.

Although West Bay responded to this request out of time by sending information to this service from T, I have taken its comments into account in this decision. Notwithstanding this, I'm still not persuaded it has shown it was fair and reasonable for it to rely on the data from March to cancel Mr F's policy noting the points mentioned above. I say this because the response from T fails to answer a number of points raised nor demonstrate why the March data relied upon was fair in this particular case. What is clear from T's answers is the data was still being affected by GPS drifts and issues in March, including on one of the dates relied on by B to cancel Mr F's policy.

In these circumstances, I'm not satisfied Mr F's telematics motor insurance policy was cancelled in line with the terms and conditions of his policy or this was fair and reasonable in all the circumstances. I've set out below how West Bay needs to put things right.

Putting things right

To put things right, West Bay Insurance Plc will need to:

1. Waive any outstanding charges Mr F owes it such as the cancellation charge referred to in the policy documents.
2. Discharge any fees Mr F owes the broker - including the set-up fee - on the basis he wasn't given the opportunity to benefit from the policy as a result of West Bay's unfair cancellation of it.
3. Ensure Mr F is given a refund for any amount due to him – this should be calculated by taking what Mr F paid away from the cost of the time he was on cover under this policy. Pay interest on the refund at a rate of 8% simple interest a year from the date of cancellation to the date it refunds Mr F*.
4. Arrange for any internal and external databases to remove the cancellation and show the policy as being cancelled at Mr F's request.
5. Provide Mr F with proof of any NCD he's entitled to.
6. Arrange for negative credit markers (if any) to be removed from Mr F's record.

7. Pay Mr F compensation of £250 to recognise the unnecessary distress and inconvenience caused by the cancellation of his policy. West Bay should do this within 28 days of us telling it Mr F's accepted my decision. If it pays later than this, it should add interest at a rate of 8% simple per year from the date of my final decision to the date it makes payment*.

* If HM Revenue & Customs requires West Bay to take off tax from this interest, it must give Mr F a certificate showing how much tax it's taken off if he asks for one.

My final decision

For the reasons set out above, I uphold Mr F's complaint. West Bay Insurance Plc now needs to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 11 March 2024.

Rebecca Ellis
Ombudsman