

The complaint

Mr K complains Advantage Insurance Company Limited (Advantage) unfairly cancelled his 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

Advantage cancelled Mr K's motor insurance policy because there were no journeys recorded on his telematics device for more than 28 days. It said this was outside the terms of the policy.

Because Mr K was not happy with Advantage cancelling his policy, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said although Advantage had acted in line with the terms of the policy, they felt its communication was misleading and it was clear Mr K was trying to communicate with it. They did not think it was reasonable for Mr K to be impacted by the cancellation and it should allow him the chance to retrospectively cancel the policy himself and pay the relevant fees.

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.

The reason given by Advantage for the cancellation of Mr K's policy was that he had not shared any driving data. The last recorded driving information was on 5 April 2023.

I looked at the terms and conditions of the policy and it says;

"Our rights to cancel your policy

We may give you seven days' notice of cancellation

We can only do this for one of the following reasons;"

This included;

"You share an insufficient amount of driving data with us during your policy, we do not receive any driving data for more than 28 days, or a significant proportion of your driving data is captured without you using the app."

Mr K could not be sure when he last drove the car so it is not clear if his telematics device was faulty or if he had actually not driven his car since 5 April 2023. However because there

was no driving data recorded on Mr K's app for more than 28 days I am satisfied this could be a valid reason for Advantage to start the process to cancel his policy.

I looked at the communication sent to Mr K by Advantage to see if it had correctly notified him of the policy requirements to share data through the app, and if it had given clear notification to him of the intention to cancel his policy.

Mr K bought his policy with Advantage after obtaining an online quote. The policy required him to share his driving data using a telematics device. He was sent a welcome letter that detailed the requirement to download the telematics app to his phone and pair it with the telematics device provided to him. He was also sent a separate letter on 28 March 2023, the date the policy started, to remind him to set up the telematics app.

On 5 May 2023 Advantage notified Mr K that he had *not sent in any driving data in a while*. It said if he was *just not driving much that wasn't a problem*, and asked him to let it know so it would not need to contact him again. It explained what he needed to do with his phone and the telematics app and added if he had any problems checking his settings he should get in touch so it could help.

Mr K responded by email and said he was not using his car much other than for weekend shopping. He said he was not using it to commute to his place of work. He asked what data Advantage wanted him to supply. He also said when he took out the policy it was not mentioned he had to supply data.

On 19 May 2023 Advantage wrote to him again to notify him it may have to cancel his policy on 2 June 2023 if he did not fix the problem with the driving data or get in touch to talk it through. It asked him to check his app and directed him to its frequently asked questions and again said to get in touch so it could help.

I saw that on 30 May 2023, prior to the policy cancellation, Advantage emailed Mr K and confirmed the last driving data it held for him was on 5 April 2023. This email again instructed him how to set the app on his phone so it would record any trips and said if he needed any further instruction it should let it know. This email did not reference it was due to cancel his policy three days later on 2 June 2023.

Advantage cancelled his motor insurance policy on 2 June 2023. When Mr K received confirmation of the cancellation of his policy he made contact with Advantage. He said because he had been communicating with Advantage he didn't think it would cancel his policy.

I found the initial policy welcome pack, policy information and terms and conditions sent to Mr K clearly explained the policy required him to supply driving data, by the phone app and telematics device, so I am not persuaded Mr K was not informed he was required to supply this. However I think Advantage's communication with him prior to the cancellation of the policy could have been clearer. It did not explain to Mr K that his response that he was not using his car much, had not been accepted by it, and its communication three days prior to cancellation made no reference to the imminent policy cancellation.

Because Mr K actively tried to communicate with Advantage when he was informed there was an issue I don't think it's reasonable for him to be impacted by the cancellation.

Therefore, I uphold Mr K's complaint I require Advantage to record the policy cancellation as cancelled by Mr K. This would mean the policy cancellation fee would be due.

My final decision

For the reasons I have given I uphold this complaint.

I require Advantage Insurance Company Limited to record the cancellation of Mr K's motor insurance policy as cancelled by customer. This should be done at the point Mr K pays the required policy cancellation fee.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 July 2024.

Sally-Ann Harding
Ombudsman