

The complaint

Ms M has complained about Advantage Insurance Company Limited. She isn't happy about the cancellation of her motor insurance policy.

What happened

Ms M took out a telematics motor insurance policy through Advantage. It was a requirement of the policy for Ms M's driving data to be provided to Advantage through an app. And as Ms M didn't comply with the requirement Advantage wrote out to tell her that her policy would be cancelled if she didn't rectify this and as nothing changed it subsequently cancelled the policy.

As Ms M wasn't happy about this and the fact the cancellation of her policy had a significant impact on her she complained to Advantage and then this Service.

Our Investigator looked into things for Ms M and eventually upheld her complaint. She thought it was clear that Ms M faced a significant traumatic life event around the time it wrote out to her about the cancellation of her policy which prevented her from engaging with Advantage around the time of cancellation. And she thought Advantage should have notified her earlier, about the fact that it wasn't getting any updates from the app about her driving, which would have meant that Ms M engaged with the process far earlier and prevented the cancellation of her policy.

As Advantage didn't agree the matter has been passed to me for review.

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.

Having done so, I agree this complaint should be upheld. I know Advantage don't agree but I think it is clear Ms M faced a significant and traumatic life event that impacted her ability to engage with Advantage around the time of cancellation. And I think Advantage could've taken steps to contact Ms M earlier in the process which would have allowed her to engage with Advantage far earlier and prevented the cancellation of her policy. Once Advantage was made aware by our Investigator of the major and very significant traumatic life event Ms M faced, around the time Advantage was contacting her about the possibility that her policy might be cancelled, it seemed to agree the fair and reasonable thing to do was to remove the cancellation marker in order to limit the impact on Ms M. But it went on to change its position.

As our Investigator outlined it would appear that Ms M stopped providing the relevant data from her car in late June 2023. Advantage could have notified her of this earlier than it chose to, and had it have done so I think Ms M would've taken steps to ensure the data was provided and prevented the cancellation of her policy. I say this as this was before the significant traumatic life event came back to the fore (mid to late August 2023) and I think she would have been able to react at that point in time.

Ms M's policy says if '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' which clearly suggests that Advantage could have contacted Ms M far earlier than it did (late July 2023 when the issue was initially identified) in order to forewarn her about the problem. I know Advantage has said that it was looking to act in a fair and reasonable way by giving extra time before contacting Ms M, which I understand, but it still could have made contact far earlier. Had it have done so I'm satisfied Ms M would have taken the necessary steps to put things right.

When Advantage did contact Ms M her ability to deal with this was heavily impacted by the significant traumatic life event that she was having to deal with. I don't propose to go over the detail of this and I hope Ms M is still getting the support and care she needs to be able to deal with this.

Given the gravity of what Ms M has faced I can understand why she didn't make Advantage or this Service aware earlier. And as Advantage wasn't aware I can understand why it undertook the steps it took in cancelling Ms M's policy and I'm sure it would have acted differently had it been made aware of Ms M's position earlier.

Advantage has said in response to our Investigator that Ms M could have allowed friends or family to have engaged with it when the possibility of cancellation came to light. While I understand this point generally, I don't think this fully engages with the extremely traumatic position Ms M faced – just as Ms M couldn't explain or engage with Advantage I'm sure she couldn't engage with family and friends about this at that time. And given the level of trauma faced I don't think this would have been a priority at the time for Ms M.

Given the fact Advantage could've contacted Ms M earlier about the lack of app updates and the trauma Ms M was dealing with when Advantage did make contact, I think the fair and reasonable thing to do, in the particular circumstances of this case, is for Advantage to remove the cancellation marker from all internal and external databases. And to provide a letter of explanation to Ms M for this.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require Advantage Insurance Company Limited to

- remove any record of cancellation from any internal or external databases, and
- provide written confirmation to Ms M that cancellation was made in error, so she doesn't need to disclose that she has had a policy cancelled against her in the future.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 28 August 2024.

Colin Keegan
Ombudsman