

The complaint

Mrs M complains about Advantage Insurance Company Limited letting her know they were intending to cancel her motor insurance policy.

What happened

The background to this complaint is well known to Mrs M and Advantage. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mrs M took out a motor insurance policy with Advantage on 8 August 2023. A condition of the policy was driving data needed to be reported back to Advantage through a telematics device. On 17 August 2023, Advantage sent Mrs M a letter outlining that her 'driving score' was close to the minimum acceptable level and it needed to improve. The letter also outlined that if the score fell below a certain level, the insurance policy would be cancelled.

Shortly after, on 29 August 2023, Advantage let Mrs M know that her policy would be cancelled as her score had fallen below the minimum acceptable level. The same letter outlined that she wouldn't be charged any cancellation fees, would only pay for the time on cover, could cancel the policy herself and wouldn't need to declare it to future insurers. Mrs M chose to cancel the policy herself.

Mrs M complained to Advantage. They didn't uphold her complaint and as Mrs M remained unhappy she referred her complaint to our Service for an independent review. Our Investigator recently recommended that the complaint be partially upheld and Advantage compensate Mrs M for any avoidable distress or inconvenience their actions caused her.

Advantage didn't accept the Investigator's recommendations - so the complaint was referred to me for a decision. I recently sent both parties a copy of my provisional, intended findings and as the deadline for responses has now passed, I've considered the complaint for a final 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

I set out my intended findings in my provisional decision. Mrs M responded with a number of points, but nothing materially new has been presented. Specifically on Mrs M's point about her score improving *after* she received the warning letter - as outlined already, the terms allow for cancellation where the driving score dipped below 30, as was the case here. So although I can see that Mrs M may feel that she was given false hope - the policy terms still allowed for cancellation in these circumstances.

I also carefully note Mrs M's comments about the change in outcome and the inference that Advantage influenced this. I can confirm that our Service impartially considers complaints without either business or complainant customers dictating complaint outcomes. As outlined in our Investigator's assessment, both parties were afforded (and took) the opportunity to challenge the recommended outcome through the case being considered by an Ombudsman:

"I've not yet has a response from Advantage, typically we would chase them for a response, and then if they still don't reply, the case would progress to an Ombudsman to issue a final decision.

A final decision is legally binding, so if the Ombudsman agrees with my view and decides Advantage needs to take action, and you accept, they will have to take the instructed action.

If you request the case progresses to an Ombudsman, it won't matter whether Advantage accepts or not, as the case will progress to the second stage and a final decision will be issued."

Overall, I find no fair or reasonable reason to deviate from my intended findings, as set out in my provisional decision. Those previous findings form the basis for this, my final decision.

The scope of my decision

As the deciding Ombudsman, I will determine the scope of this complaint. I make this clear as I carefully note various comments from Advantage to our Investigators about 'overstepping', acting beyond our remit and 'wandering outside of the constraints' of what was raised by Mrs M.

It's clear to me that Mrs M's dissatisfaction (higher premiums with a third party insurer) stems from the circumstances that led to her policy with Advantage ending. Therefore, for completeness, I'll be addressing what occurred in the lead up to her decision to cancel this policy, rather than waiting for Advantage to cancel it.

For Mrs M's benefit, I will only consider any financial detriment (higher premiums) if I find that Advantage treated her unfairly in the lead up to the policy cancellation. I also won't be commenting on the methodology Advantage used to calculate the driving score or what other insurers may do differently.

Have Advantage treated Mrs M fairly and in line with the policy terms?

I have considered Mrs M's comments about the reliability of the driving data and factors that could explain some of the scores – such as other driver's behaviour. But on balance, I've not seen sufficiently persuasive evidence that undermines the data relied on by Advantage or that they've not calculated Mrs M's driving score in line with the policy terms.

The letter dated 17 August was clear that Mrs M needed to improve her driving score or the policy would be cancelled. I note that it refers to if her score 'falls below 30'.

The relevant policy terms state:

"Your Driving Score needs to stay above 30 at all times [bold added for emphasis by Ombudsman], *or your Policy may be cancelled. You'll always get plenty of time to find insurance elsewhere and you can cancel the Policy yourself, so any future insurance applications won't be affected...."* And;

*“As part of the terms of this Policy you're required to capture your Driving Data on every trip and **keep your Driving Score above 30, failing which we have the right to cancel your Policy.** [bold added for emphasis by Ombudsman] If this happens, you won't be charged a cancellation fee and you can cancel the Policy yourself (see Score Cancellations section for more details)”*

It's my understanding that Mrs M's score had already dipped below 30 when the letter referenced above was sent. But as this letter (a warning) was sent instead of a cancellation notice, I don't find that Mrs M lost out as a result.

The later cancellation notice, sent on 29 August 2023, gave Mrs M the 20 days' notice as set out in the policy terms to find another insurer and outlined that if she cancelled the policy herself she wouldn't need to declare it to future insurers. Mrs M has said her driving score was higher than 30 at the point of cancellation, but as the policy terms and 'warning' letter outlined, the deciding factor is where a score falls below 30. So I don't find Advantage have acted unfairly in relation to this point.

Have Advantage treated Mrs M fairly overall?

I haven't found a failing that has caused Mrs M to lose out, in regards to how Advantage acted in relation to the policy terms. I've then gone on to consider how Advantage have treated Mrs M overall.

Our Investigator previously recommended compensation (£150) for errors with correspondence being sent to Mrs M, specifically a letter dated 29 September 2023 that stated the policy had been cancelled because of her driving score. The Investigator felt this was conflicting information that caused avoidable distress and confusion.

I don't share this view and don't currently intend to direct Advantage to do anything further. I say this because:

- the previous warning letter outlined that Mrs M had the option of cancelling the policy herself before 19 September 2023 and she wouldn't need to declare it to future insurers. She exercised this choice.
- Therefore, if, after receiving the cancellation notice she misunderstood that she would need to declare it to other insurers, I'd have reasonably expected her to query this with Advantage – given her proactive decision to cancel the policy herself.

Instead, it seems she's now unhappy with the general higher premiums charged by other insurers.

- For completeness, as Advantage have explained that no record of this cancellation has been shared on any external databases, even in a scenario where Mrs M had incorrectly declared an insurer led cancellation to another insurer and she feels this resulted in higher premiums being charged, she has the option to contact that insurer and clarify the situation and possibly have that policy re-rated. I won't be directing Advantage to reimburse her for any higher premiums she paid – as I haven't found that they've done anything wrong that has caused her to lose out.

I acknowledge my decision will disappoint Mrs M, but in my opinion based on the available evidence it is the fairest outcome in the circumstances of this complaint.

It's unfortunate that Mrs M has told us she ended up paying higher premiums with another insurer, but as I've not found Advantage acted unfairly when giving her notice that her policy

would be cancelled on 19 September 2023 because of her driving score, I won't be directing Advantage to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

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

Daniel O'Shea
Ombudsman