

## The complaint

Mr J complains UK Insurance Limited trading as Churchill (UKI) unfairly cancelled his motor insurance policy.

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

## What happened

Mr J took out a motor insurance policy with UKI. As a condition of the policy Mr J was required to install a telematics app.

Because Mr J did not install the telematics app his cover was cancelled.

Mr J complained to UKI that the cancellation of the policy had been done without his knowledge. UKI said it had sent both a notification of cancellation and a confirmation of cancellation letter in the post. Mr J said he didn't receive the notice of cancellation letter in the post, and neither was it added to the online portal.

Because Mr J was not happy with UKI, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said UKI had been entitled to cancel Mr J's policy but it had not done enough to notify him of the cancellation. They said UKI should backdate the cancellation to 29 August 2023 and record it as a voluntary cancellation. It should also refund premiums charged between 29 August 2023 to 12 September 2023 and pay £100 compensation.

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

## What I provisionally said

*Mr J said he had not installed the telematics app because he did not know he had to. He felt the communications from UKI did not make the importance of the telematics app sufficiently clear.*

*I looked at the information sent to Mr J when he took out the policy.*

*Mr J bought his policy using an online price comparison website. A screenshot from this website shows the policy he selected is described as a telematics policy.*

*Prior to Mr J's policy starting UKI sent a detailed welcome letter and policy documents. On the first page of the letter it says;*

*" Please check the details of your policy carefully to make sure it's right for you."*

*And at the start of the second page of the welcome letter it says;*

*"We'll send your xxxxxxxxx instructions and terms and conditions in the next few days.*

- You'll need to follow the instructions, every driver will need to download our xxxxxxxxx from their app store and start using the app to track their journeys.*

- You'll be able to use the app to see how you've driven and get your driving score. If you don't use it, we reserve the right to cancel your policy. This may affect your ability to purchase insurance in the future."*

*UKI's records show a welcome letter was also sent to Mr J by email on 6 August 2023 and I saw the letter and policy documents were also available on the online portal. I saw an email was sent on 11 August 2023 to remind Mr J to register on the app otherwise the policy could be cancelled.*

*I am satisfied UKI provided information to Mr J in its welcome information, that the use of a telematics app was a condition of the policy and failure to use this may result in cancellation of the policy. And as Mr J did not download it when his policy started, I am satisfied UKI was within the terms of the policy to issue a cancellation notice.*

*I looked at the letter sent to Mr J on 29 August 2023. It gave 14-day notice of UKI's intention to cancel his policy because he had not activated the telematics app that was required as part of his policy. The letter gave guidance on how to stop the cancellation – which was to activate the telematics app in the next 14 days.*

*Mr J said he did not receive this letter. He received only the letter dated 13 September 2023 notifying him his policy had been cancelled and this did not arrive until 26 September 2023. He said on receipt of this letter he signed into UKI's portal and thought his policy still seemed to be active, so he assumed the cancellation letter had been sent in error. He said he signed back into the portal a few days later and at this point after downloading the documents available he realised his policy had been cancelled on 12 September 2023.*

*Although I do accept that Mr J did not receive the notification of cancellation letter sent in the post, I cannot hold UKI responsible for the letter not arriving. However, even though UKI did send out a 14-day notice of cancellation and it did not cancel the policy until after the required time had elapsed, I do not think it did enough to notify Mr J of the potential cancellation.*

*UKI had previously communicated with Mr J by email, and it had also recorded that his preferred method of communication was through its online portal. Therefore I think it should have also sent the cancellation notification by email and added it to the portal as it did with his welcome letter and cancellation confirmation.*

*Mr J has been clear he did not want a telematics policy and he would not have knowingly agreed to install a telematics app. I think if he had received notification of the cancellation he would have cancelled the policy himself before UKI cancelled it.*

*The cancellation letter was sent in the post and it was added to the portal on the date of cancellation. I cannot hold UKI responsible for the delay in him receiving this letter in the post and him not noticing the cancellation letter on the portal.*

*Mr J said his car was not insured for approximately two weeks after UKI cancelled his policy. I understand there were no incidents during this time and therefore no disadvantage caused to him.*

*As cancellation of a policy by an insurer can have ongoing consequences for a consumer, I think the fair and reasonable outcome in this case is for UKI to record the cancellation on any internal and external databases as cancelled voluntarily by Mr J. This would be on the actual cancellation date of 12 September 2023 as cover was in place until this date.*

*Therefore, I intend to uphold Mr J's complaint and require UKI to record the cancellation as cancelled voluntarily by Mr J. And as Mr J had to buy an interim insurance policy whilst UKI looked into the policy cancellation it should also refund the £69.99 cost of the interim policy.*

### **Responses to my provisional decision**

Mr J responded and said he didn't have anything further to add.

UKI responded and said it didn't think there was anything more it could suggest.

### **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.

As no further evidence has been submitted for consideration by either Mr J or UKI, I maintain my provisional decision. I uphold Mr J's complaint and require UKI to record the cancellation as cancelled voluntarily by Mr J. And as Mr J had to buy an interim insurance policy whilst UKI looked into the policy cancellation it should also refund the £69.99 cost of the interim policy.

### **My final decision**

For the reasons I have given I uphold this complaint.

I require UK Insurance Limited trading as Churchill to

- record the cancellation of Mr J's motor insurance policy on any internal and external databases as voluntary cancellation as of 12 September 2023.
- refund £69.99 paid for the interim policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 5 June 2024.

Sally-Ann Harding

**Ombudsman**