

## **The complaint**

Mr C complains that Advantage Insurance Company Limited (“Advantage”) unfairly issued a notice to cancel his motor insurance policy.

## **What happened**

Mr C took out a policy which came with a telematics device to assess driver safety. He says, due to a technical issue, it took around two months to get the telematics device to pair with the application (“app”). And then, when it did eventually pair, Advantage issued a warning message just over a week later to say Mr C’s driving score was getting low. Mr C says this seemed unfair to him as it didn’t appear as Advantage had enough time to gather sufficient data to assess his driver safety score. Mr C says he checked the score in the app, and it was showing as being just above the required limit, so he assumed it would be fine going forward and the score would continue to rise as the telematics device gathered more data. Mr C says his score did then start to increase but he then received a notice of cancellation. Mr C says he raised queries with Advantage about the data collected but they didn’t change their position so he decided it would be better for him to cancel the policy himself rather than Advantage. Mr C complained about Advantage’s decision to issue a cancellation notice and also questioned the data they’d relied on to reach this decision.

Advantage responded and explained they’d spoken to their technical team regarding the driving score, and they confirmed Mr C’s driving score had dropped below the required level. Advantage said their technical team had also confirmed there were no issues reported in portals with the hardware, or the tracking feature. They said they could see the lowest scoring factors for Mr C were acceleration, hard braking, and cornering – and this impacted the low score.

Our investigator looked into things for Mr C. He didn’t think Advantage had made an error in issuing a cancellation notice but he thought the warning message sent to Mr C about his driving wasn’t clear, so he recommended they pay £75 compensation. Mr C and Advantage disagreed, so the matter has come to me for a 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.

Having done so, I’ve decided to uphold the complaint. And, I think the investigator’s recommendation here is a fair way to resolve matters.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I’ll focus on what I consider to be the crux of the complaint and the main areas of dispute. I think it’s important to add, I won’t be commenting on every event during the complaint process, instead I have taken a broad approach to the overall service provided.

My starting point is Mr C's motor insurance policy booklet. This sets out the terms and conditions and, under a section headed 'Your driving data terms and conditions' it says, "*We collect your Driving Data through the...App and the...Tab...Your Driving Score needs to stay above 30 at all times, or your Policy may be cancelled...We collect information about how your Car is driven which includes speeding, high risk phone use whilst driving, hard braking, hard cornering and hard acceleration...*" It goes further to say, "*If your Driving Score falls to 30 or below, we'll get in touch and give you plenty of time to take the appropriate action.*"

Advantage say the telematics device monitors a driver against a series of parameters which includes speed, acceleration and braking. They say the parameters are scored out of 100, with each trip contributing to the overall score as an average. They say negative driving behaviours cause the score to lower, and once a score drops to 30 or below, the policy is cancelled. They said Mr C's driving had produced a score below 30, so a cancellation notice was issued.

Advantage have provided data for a journey between 9.02am and 9.16am. This records data showing there was a hard brake, and this corresponds with the braking score recorded and it also shows a low score for acceleration. I can see a warning message was then sent to Mr C at 10.16am the same day which said, "*We've noticed your driving score is getting close to the minimum. When you bought your policy, we gave you a better price in return for keeping your score above this. This means if your score falls to 30 or below, your policy will be cancelled.*" Under a section headed 'What you need to do', it said, "*Keep an eye on your score in the app.*" and under a separate heading 'What happens next' it said, "*We're really hoping your score will improve, but if it doesn't, we'll be in touch with the next steps.*"

Driving data provided by Advantage shows Mr C's driving score did fall below 30 at the start of September. I can't see this is in dispute as, in an email to Advantage, Mr C said he isn't disputing the fact that the telematics device recorded a couple of instances of rapid acceleration/braking, and he also isn't disputing the fact that the overall score may have briefly fallen below 30. The policy terms and conditions did require Mr C's driving score to be above 30 at all times, otherwise his policy would be cancelled. Given that Mr C's driving score dropped below this level, I don't think it was unreasonable for Advantage to issue a cancellation notice to Mr C – which they did a week after the warning message.

I note the policy terms and conditions do say, in the event a customer's score falls to 30 or below, Advantage will get in touch and give a customer time to take appropriate action. It then lists steps Advantage might take if they do decide to cancel a policy – this includes giving a customer time to find another insurance policy and to allow a customer an opportunity to cancel the policy themselves, so it won't need to be declared to a new insurer. In the cancellation notice sent to Mr C, Advantage said, to make things easier for him, he has 20 days to find cover with another insurer and if he cancels the policy himself, he doesn't then need to declare it to any new insurer. So, I think Advantage did act in line with the policy terms and conditions by giving Mr C time to take appropriate action.

Mr C questioned whether there was a glitch in the system, and he referred to it taking around two months for the telematics device to pair with his app. Mr C also said the driving score must have somehow started off artificially low for some reason and a couple of journeys, that under normal circumstances wouldn't have affected the overall score much, instead had a large impact on the driving score and that is what caused it to briefly drop below 30. I can see Mr C also believes his policy was cancelled under false evidence. I have carefully considered Mr C's points here, but Advantage have provided data, and this doesn't show any issues with the telematics device, the data it was providing or how it was being captured. I've also seen the driving data Advantage used to support their decision to issue a cancellation notice, and this does show a recorded driving score below 30 – so I can't say Advantage's decision here was based on inaccurate or false evidence.

I understand Mr C received a copy of his driving data and he pointed out the averages for each behaviour didn't calculate to an overall score below 30. Advantage say, this is down to them placing different weighting to certain behaviours. So, for example, if the score for a certain behaviour is above 30 to a greater extent than another behavioural score is below 30, that doesn't necessarily mean the average will always be above 30 – it also depends on the weighting applied to each behaviour. It's not unusual or uncommon for insurers to apply different weighting to different behaviours in the same way that, for a non-telematics policy, an insurer applies different weighting to different risk factors.

While I can't say Advantage have made an error here in issuing a cancellation notice, I do think their warning message caused confusion. I say this because, while it repeated what the policy terms and conditions say about Advantage cancelling a policy if a driver score falls to 30 or below, the warning message was headed "*It's time to get back on track*". It also said, "*Keep an eye on your score in the app.*" and "*We're really hoping your score will improve, but if it doesn't, we'll be in touch with the next steps.*"

The driving data shows Mr C's driving score had already dropped below 30 by this point, yet the message suggests there's an opportunity for Mr C to get back on track and Advantage are hoping his score will improve. But I'm not persuaded, at the time the warning message was sent, there was any opportunity for Mr C to improve as his score had already fallen below the level which allowed Advantage to cancel the policy. I can see Mr C's score did improve following the warning message, so I understand why it caused confusion when he later received a cancellation notice.

I can see Advantage say, once a score begins to get low there's every chance to improve it, so a warning message is sent. They say, however, once the score is below 30, the policy will be cancelled. They say if a customer's driving continues to decline at such a rate that overtakes their ability to inform the customer of their actions, they can't be held responsible for any issues with any messages. I do acknowledge Advantage's point, but as I've mentioned above, the decision to issue a cancellation notice was based on data from a driving event which had already occurred at the point Advantage sent a warning message. And, while I'm not disagreeing with Advantage's decision to issue a cancellation notice, I do think the message caused confusion. So, taking into account the impact on Mr C and the duration of that impact, I think compensation of £75 is fair and reasonable in the circumstances.

I wish to reassure Mr C and Advantage that I've read and considered everything they've sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

### **Putting things right**

I've taken the view that Advantage's warning message did cause confusion. So, they should pay Mr C £75 compensation.

### **My final decision**

My final decision is that I uphold the complaint. Advantage Insurance Company Limited must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 July 2024.

Paviter Dhaddy  
**Ombudsman**