

The complaint

Mr L complains that Advantage Insurance Company Limited unfairly cancelled his motor insurance policy.

Advantage is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Advantage has accepted it is accountable for the actions of the agents, in my decision, any reference to Advantage includes the actions of the agents.

What happened

In May 2023, Mr L took out a telematics motor insurance policy with Advantage to cover one of his cars ("car F"). The terms of the policy required Mr L to attach a tab to the car's windscreen or dashboard and to pair it with an app on his mobile phone.

In August 2023, Advantage notified Mr L that there was a problem with his driving data. It said it would have to cancel his policy if he didn't fix the problem. When Mr L phoned Advantage, it told him he needed to drive the car more frequently.

In September 2023, Mr L took out a second telematics policy with Advantage to cover his other car ("car H"). The policy started in early October.

Shortly after, Advantage notified Mr L that it hadn't received any driving data for a while. It said he should let it know if he wasn't driving as much and suggested he check his phone settings if he had been driving recently with the phone in the car.

A couple of weeks later, Advantage informed Mr L that it might have to cancel his policy if he didn't fix the problem with his data or get in touch with it within the next two weeks.

In early November, Advantage told Mr L it had cancelled his policy for car F because of issues with his driving data. Mr L acknowledged receiving Advantage's notification that it might cancel the policy. But he said it wasn't clear which policy it was referring to. He said he'd done what he'd been advised to do when he'd previously told Advantage there was an issue with the data, which was to drive his vehicles more often. He said his phone was showing driving data for car F for several journeys in October, so he was confused that his policy had been cancelled.

In response to Mr L's complaint, Advantage acknowledged some errors in the service it had provided. It said it would be sending Mr L £50 compensation for these, but it was unable to reinstate his policy because the correct process had been followed.

Mr L remained unhappy and asked our service to consider the matter.

I issued a provisional decision on 18 July 2024, where I explained why I intended to uphold Mr L's complaint. In that decision I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on what I've seen so far, I intend to uphold Mr L's complaint. I'll explain why.

The policy's terms and conditions say:

"We and your insurer can cancel your policy at any time by sending you seven days' written notice to the last postal or email address on our system, stating why the policy has been cancelled.

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

The listed reasons include:

- "You (or anyone acting for you) remove either the tab, or otherwise interfere with the tab or (intermediary) app to stop sharing driving data with us in breach of the terms of this policy or app.*
- 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*
- We believe your tab or (intermediary) app has been deliberately tampered with, removed or misused in breach of this policy or app terms and conditions."*

On 5 October 2023, Advantage sent Mr L an email and a letter (which I understand was sent via its online portal). The notifications said:

"Please let us know if you're not driving much

You've not sent us any driving data in a while, so we're just checking in to make sure everything is set up right."

It went on to say what Mr L needed to do. It said he should make sure he had his phone in his car when he was driving. He should let Advantage know if he wasn't driving much or check his phone settings if he had been driving with his phone in his car.

On 19 October, Advantage sent Mr L another email and letter, which said:

"Important: We may have to cancel your policy

We recently wrote to you to let you know there was a problem with your driving data. Because we gave you a better price for sharing your driving style with us, we'll have to cancel your policy on 2nd November 2023 if you don't fix the problem or get in touch with us before this date to talk this through."

Advantage says Mr L's policy was correctly cancelled in line with the terms and conditions, because he didn't contact it in response to the emails. However, the emails don't specifically say that Mr L needed to contact Advantage to avoid the policy being cancelled. The 19 October email says Advantage would have to cancel the policy on 2nd November "if you don't fix the problem or get in touch with us."

Mr L says he wasn't sure which policy Advantage was referring to as the emails didn't include the policy number. He says he made sure he drove both of his cars more frequently in order to resolve the issue. He was following the advice he was given when he received similar emails in August 2023.

Having listened to Mr L's call with Advantage from August 2023, I can understand why he thought driving more frequently would fix the problem. The agent told Mr L he should drive the car at least once every two weeks to avoid getting the emails. The agent said that if there

was a big gap between journeys Mr L might get an email but as long as he drove shortly after they'd stop coming out to him.

While the agent didn't specifically say Mr L should ignore future emails, I think his communication should have been clearer. It would have been helpful if he'd told Mr L to contact Advantage if he received any further notifications of cancellation in case there was an issue with the collection of data that needed to be resolved.

I've also listened to Mr L's conversation with Advantage of 2 November 2023 when he called to query the cancellation. In that call, Mr L referred to a number of recent journeys he'd made in the car that the cancelled policy had covered. He said he could see the scores on the app and there was no suggestion that the data hadn't been uploaded to Advantage's system. So, I think it's understandable that Mr L thought the problem Advantage had referred to in the email of 19 October had been fixed and he didn't need to do anything further.

From what I've been told, the issue seems to have occurred because Mr L was the policyholder for two telematics policies. Advantage has acknowledged that he shouldn't have been provided with the second policy (for car H), while remaining the main driver on the policy for car F. It says Mr L had made it clear he already had a telematics policy in place when he set up the policy for car H and the agent should have checked to see if the information linked to the existing policy was the same as that being provided during the call.

It seems that Advantage no longer received data for car F after the tab was fitted for car H, despite the data being visible to Mr L on the app. So, I think Advantage is ultimately responsible for the data collection issue occurring in the first place.

Having considered everything, I don't think it was fair or reasonable for Advantage to cancel Mr L's policy and refuse to reinstate it. I understand Mr L purchased a policy with another provider which was more expensive. So, I think it would be fair for Advantage to refund the extra premium Mr L had to pay his new insurer if Mr L provides evidence of this. To work this out, it should compare the premium Mr L was paying under the cancelled policy and the premium he paid for his new policy and refund the difference, assuming everything else remained the same.

Advantage should also remove any record of the policy having been cancelled from internal and external databases and provide Mr L with a letter confirming the policy was cancelled in error.

It was no doubt upsetting for Mr L to find his policy had been cancelled when he believed he'd complied with the terms. He was also inconvenienced as he spent time trying to sort things out with Advantage as well as arranging new insurance. So, I think Advantage should pay Mr L £250 for distress and inconvenience. This is in addition to the £50 it has already paid him."

I set out what I intended to direct Advantage to do to put things right. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses

Advantage said it had reviewed my provisional assessment. It said it appeared I was convinced that it did not give Mr L adequate communications as the policy number was not shared for him to understand which policy was going to cancel. It said it had checked the communications it had sent relating to the cancellation and it could see it did include the policy number, so it was unsure why Mr L and I felt it was unclear. It said it also asked that Mr L get in touch to discuss the policy.

Advantage also provided copies of its notifications to Mr L, which include the policy number.

Mr L acknowledged receipt of my provisional decision and provided email confirmation of his payment to his new insurer.

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.

Advantage seems to be under the impression that I reached the conclusion that Mr L's complaint should be upheld because I didn't think it had provided the policy number on its communications with Mr L. Although I mentioned Mr L's concern about this in my provisional decision, to be clear, this wasn't my reason for upholding his complaint.

As I said in my provisional decision, I believe Advantage is responsible for the data collection issue which meant that its system stopped receiving data for car F after the tab was fitted for car H. This was because Advantage shouldn't have provided Mr L with the second telematics policy.

I think it's clear from Mr L's conversation with Advantage on 2 November 2023, that he could see data for recent journeys in car F on his app. And I don't think he could have known that this data hadn't been uploaded to Advantage's system.

Advantage has commented that it asked Mr L to get in touch with it. But as I pointed out in my provisional decision, he wasn't specifically told that he needed to get in touch with Advantage to prevent the policy from being cancelled. The emails said the policy would be cancelled "*if you don't fix the problem or get in touch with us.*"

Given what he'd previously been advised when he contacted Advantage in August 2023, I think it's understandable that Mr L thought driving his car more frequently would fix the problem and so he didn't need to get in touch with Advantage.

If Advantage hadn't provided Mr L with the second telematics policy, I don't think the data collection issue would likely have occurred. And if Advantage's communication with Mr L had been better, I think it's likely he would have contacted it before the policy had been cancelled. So, I think Mr L has lost out because of Advantage's poor service and it should put things right by doing what I set out in my provisional decision.

Mr L has sent us an email showing he paid £576.92 to a different insurer on 7 November 2023. I don't know if this is sufficient for Advantage to calculate the redress it needs to pay him. If Advantage requires further evidence to allow it to work out how much it needs to refund him, it should contact Mr L directly.

Putting things right

Advantage should:

- Remove any record of the policy cancellation from internal and external databases.
- Refund the extra premium Mr L had to pay his new insurer.
- Provide Mr L with a letter confirming his policy was cancelled in error.
- Pay Mr L £250 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr L's complaint and direct Advantage Insurance Company Limited to put things right by doing as I've said above.

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

Anne Muscroft
Ombudsman