

The complaint

Miss G complains that Advantage Insurance Company Limited (Advantage) unfairly cancelled her motor insurance policy.

All references to Advantage include its agents.

What happened

Miss G agreed a telematics policy with Advantage. This meant she had to attach a device referred to as a 'tab' to her car windscreen or dashboard. The tab was linked to her phone, and this sent data about her driving to Advantage. Miss G says the tab wouldn't stick, so she placed it in a 'pocket' next to her steering wheel. She says there were limited instructions provided with the tab, and it didn't tell her that she couldn't position it as she had.

Miss G noticed her driving score was zero when checking the app on 22 August 2023. So, she contacted her broker. She received a generic response advising the matter had been passed to an agent. Miss G says she didn't receive a further response. She called again on 23 and 25 August and was told her low score was because the device was loose, and she should buy her own sticky pads.

Miss G says the pads provided were flimsy and didn't stick. She was told that her policy wouldn't be cancelled, and she'd have time to improve her driving score. Miss G says she received an email on 29 August 2023 to confirm her low score was due to an installation issue. She says that she was again told that she would be allowed time to improve her score. Miss G says she then received a response telling her to use sticky tape to fix the device to her car. She says once the device was fixed correctly her score increased significantly. But her policy was still cancelled.

In its complaint response Advantage says when Miss G made contact she was advised to buy some sticky tape. This was to ensure the tab wasn't moving around whilst she was driving. It says this could negatively affect her score. On 31 August 2023 it says it informed Miss G that her policy was to be cancelled as her score had dropped to 30 or below. It maintains that it acted appropriately and according to its policy terms.

Advantage told Miss G that even if she had improved her score, it would've been too late once it reached 30 or below. It says the cancellation was processed correctly and Miss G is liable for the time she was on cover.

Miss G didn't think Advantage had treated her fairly and referred the matter to our service. Our investigator upheld her complaint. She says our service considers it fair for an insurer to allow its customer a reasonable opportunity to correct driving behaviours before cancelling a policy. She wasn't satisfied that Advantage had provided enough information to show it'd done this in Miss G's case.

In light of this our investigator says Advantage should refund the £90.70 Miss G was charged. It should also remove the cancellation record and pay £100 compensation for the distress and inconvenience it caused.

Miss G accepted this outcome. Advantage didn't. It says it warned her about the cancellation and had acted according to its policy terms and conditions.

Because an agreement wasn't reached the matter has been passed to me to decide.

I issued a provisional decision in August 2024 explaining that I was intending to uphold Miss G's complaint. Here's what I said:

provisional findings

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 my intention is to uphold Miss G's complaint. I largely agree with our investigator's findings, but I think a higher level of compensation is warranted. Let me explain.

Miss G's concerns about customer service are being handled under a separate reference against her insurance broker. My focus here is on the cancellation of her policy for which Advantage is responsible.

Advantage's terms and conditions say that the price of Miss G's policy is in part based on its expectation of her driving style. It requires her to install a device that links with her phone and relays data when she's driving. The data is collated and scored. If the driving score reaches or drops below 30 the terms explain that the policy may be cancelled.

We don't think it's unreasonable for an insurer to cancel a telematics policy if its terms and conditions allow. But we do expect a policyholder to be given a reasonable opportunity to correct their driving behaviour before this happens. This is unless there is evidence of significant excessive speeding or other dangerous driving.

In Miss G's case I can see Advantage sent a letter dated 21 August 2023 by email. This tells her that her driving score is getting close to the minimum. It says when Miss G bought her policy it gave her a better price for keeping her driving score above this. It also says that if her driving score falls to 30 or below, the policy will be cancelled. The letter tells Miss G to keep an eye on the app to see what her score is for her latest journeys. And provides other tips on how to ensure a good driving score.

I note Miss G's comments that she received this email on 22 August 2023. She says she emailed back and received a generic response. She then phoned on 23 and 25 August. She explained that the sticky pads provided with the telematics device didn't work, and she'd placed it in her car's door pocket. Miss G says she was told to buy her own sticky pads in order to fix the device to the windscreen or dashboard. She says the agents she spoke to didn't tell her that her policy would be cancelled. Advantage acknowledges its agent provided this advice in the call from 25 August.

Miss G says she emailed Advantage again on 29 August and was told to use sticky tape to fix the device. Again, she says she wasn't told that her policy would be cancelled. Advantage sent a further emailed letter dated 31 August 2023 to Miss G. This says that due to her low driving score, it will cancel her policy from 21 September.

Our investigator asked Advantage to send evidence to support how it scored Miss G's driving. She also asked over what period was this data collected. The business responded with a screenshot that shows an overall driving score of 40.1. It breaks down the scoring into

five separate areas, acceleration, speeding etc. Advantage says the information it sent represents the scoring over a 12-month period.

Miss G's policy started on 13 August 2023 and was cancelled just over a month later in September. So, Advantage's comments that the data it sent was over a period of 12 months can't be correct. I can see our investigator queried this point with the business, but I can't see a further response was received.

The overall score for Miss G's driving is shown as 40.1. Her policy terms say she must keep this above 30 to avoid the potential for it being cancelled. From this information Advantage hasn't shown that Miss G's driving score fell below the cancellation threshold.

I've thought about whether Miss G was allowed a reasonable period to correct her driving behaviour. I don't think she was. When she received the email dated 21 August 2023 she contacted Advantage shortly afterwards to highlight the issues she'd had sticking the telematics device in place. I note what she says about the contact centre only being open for calls during normal working hours. She says she was unable to call as she works during these hours.

Miss G was able to call Advantage on 23 and then 25 August. Given she had explained the difficulties she was having, I think a reasonable course of action would've been to provide replacement sticking pads. Alternatively, a period of time could've been allowed for her to obtain a suitable method of sticking the device in place. A reasonable period should then have been allowed for her to drive her car with the device correctly in place. This would allow Advantage to fairly assess Miss G's driving.

I think Miss G was reasonably aware that she needed to take action to fix the device in place following her call on 25 August 2023. Advantage told her it had made the decision to cancel the policy six days later. But I don't think this allowed a reasonable period for her to resolve the issue with the device, and then correct her driving score.

Having considered all of this I don't think Advantage treated Miss G fairly when it decided to cancel her policy. To put this right, it should remove any reference to the cancellation from all internal and external databases. It's fair that Miss G pays for the time she was insured, as she has benefitted from being on cover. But Advantage should refund any cancellation fees it has charged.

I've thought about the impact all of this has had on Miss G. She explains how it was very frustrating to have her policy cancelled. Particularly, when she'd made reasonable attempts to highlight the problem, she was having with the telematics device. She has also been inconvenienced by having to obtain alternative insurance cover. To put this right, I think it's fair that Advantage pays her £200 compensation for the frustration and inconvenience it caused.

I said I was intending to uphold this complaint and Advantage should:

- remove any internal and external record of the cancellation;
- refund any cancellation fees Miss G paid; and
- pay £200 compensation for the frustration and inconvenience it caused.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Miss G responded to say she accepted my provisional findings.

Advantage didn't respond with any further comments or information for me to consider.

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 neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that I uphold this complaint. Advantage Insurance Company Limited should:

- remove any internal and external record of the cancellation;
- refund any cancellation fees Miss G paid; and
- pay £200 compensation for the frustration and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 11 October 2024.

Mike Waldron
Ombudsman