

## **The complaint**

Mr D complains about how U K Insurance Limited (“UKI”) cancelled his policy which used telematics to gather data about his driving.

## **What happened**

Mr D had a car insurance policy with UKI. He bought the policy online via a comparison website.

The policy required the use of an app on his mobile phone that would gather data about his driving.

He took out the policy on 11 December 2023.

On 2 January 2024, UKI wrote to Mr D’s to tell him his policy had been cancelled because he’d not set up the app. It also sent a notification through its online portal.

Mr D complained. He said he hadn’t received correspondence UKI sent to him, whether via the online portal or by post, which he’d said was his preferred method of contact. Mr D said he thought an email or phonecall would have been the best way to make him aware his policy was going to be cancelled.

Mr D brought his complaint to this service. He said that the cancellation of his policy has caused him problems with getting insured, and asks that the record of it is removed from his record.

Our investigator looked into it and thought it would be upheld. They thought UKI hadn’t done enough to tell Mr D about the cancellation of his policy. They said UKI should pay Mr D £100 compensation for his frustration, and remove the record of cancellation from internal and external databases UKI had updated.

UKI didn’t agree with the view. It said it’d used two methods of contact with Mr D about his policy.

Because UKI didn’t agree, this complaint has been passed to me to make 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.

I’ve looked at the information sent by UKI about the communications it sent to Mr D and his communications preferences.

But I don’t think it’s done enough to show it tried to contact Mr D to tell him his policy was about to be cancelled. So, I’m upholding Mr D’s complaint and I’ll explain why.

UKI said it communicated with Mr D by email, letter and via its online portal. It supplied a

timeline of correspondence:

*“11/12/2023 - New Business documents by post.*

*11/12/2023 - New Business portal email.*

*16/1[2]/2023 - Reminder email to register the app – warning that cover will be cancelled if the app isn’t used.*

*18/12/2023 - Scheduled Notice of Cancellation by post with 14 days’ notice.*

*02/01/2024 - Confirmation of Cancellation by post.”*

Mr D said he’d only received the initial correspondence welcoming him to the policy, then nothing further until he received confirmation that his policy had been cancelled.

UKI clearly has many different communications channels open to it, but when it wrote to Mr D to tell him it was going to cancel his policy, it used one channel to do so.

And I don’t think that led to a fair and reasonable outcome for Mr D.

I can see from the file that UKI told Mr D that he needed to register and use the app. From the evidence I have, Mr D didn’t do this.

Because Mr D wasn’t sending data to UKI, under the terms of its policy it can cancel the policy with seven days’ notice.

It’s important I remind Mr D that it’s his responsibility to make sure he’s complying with the policy terms, which were sent to him on 11 December when he took it out.

I can see from the file that Mr D said he didn’t then receive any further contact from UKI. UKI provided some generic copies of the email it sent to Mr D reminding him to register the app.

When UKI wrote to Mr D telling him his policy was going to be cancelled, it wrote to him but didn’t contact him by the other methods open to it.

This service thinks using two different methods is best practice. So, while I think UKI followed its terms and conditions, I think it should have contacted Mr D telling him it was going to cancel his policy by at least two different methods.

The implications of a customer simply missing a piece of post, or it being mis-delivered or lost, about such an important problem with their policy are potentially very significant.

And in Mr D’s case this may have meant he was driving while uninsured, which can have very serious consequences.

From its evidence, UKI did tell Mr D about the cancellation of his policy by letter, but this was sent after it was cancelled.

So, I don’t think UKI acted fairly in how it planned to cancel Mr D’s policy by using only one method to contact him when it has a range of technology and other solutions to do this.

Mr D has complained about the difficulties he’s faced finding cover elsewhere, following UKI’s decision to cancel his policy.

I’ve said above that I don’t think UKI did enough to tell Mr D about his policy being cancelled,

so I think it needs to remove records of its cancellation from internal and external databases it's updated. It needs to write to Mr D confirming it's done this and tell him he doesn't need to notify insurers in the future about this cancellation.

I can also see from the evidence that Mr D has been caused inconvenience by UKI's actions. I've thought about the impact on him and I think the appropriate level of compensation is £100.

### **My final decision**

It's my final decision that I uphold this complaint. I require UK Insurance Limited to:

- Pay Mr D £100 for his distress and inconvenience.
- Remove cancellation markers it's placed on its internal database and any external databases it's updated. It should also write to Mr D and confirm it's done this.

U K Insurance Limited must pay the amount within 28 days of the date on which we tell it Mr D accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 28 July 2025.

Richard Sowden  
**Ombudsman**