

## **The complaint**

Miss G complains that Herts Insurance Consultants Ltd cancelled her motor insurance policy. Miss G is represented in this matter by Mr G, her father. She wants Herts to cover the costs of her new cover.

## **What happened**

Herts told Miss G that her telematics black box wasn't transmitting information, and it told her how to reset this. Miss G said she followed Herts' instructions, but it then cancelled her policy. She said she had to pay £1,000 more for new cover elsewhere and she'd lost her potential No Claims Discount (NCD) entitlement. Mr G said they hadn't received any cancellation correspondence.

Herts said the cancellation was due to technical reasons and Miss G needn't declare it in the future. It offered to refund Miss G's cancellation fees and to pay her £200 compensation for any communication errors. But Miss G wanted an apology, reassurance, and compensation for her increased cost of cover.

Our Investigator didn't recommend that the complaint should be upheld. He thought Miss G's policy required the black box to be transmitting data. He thought Miss G had called Herts twice and it had talked her through the process of resetting the black box. And he thought Miss G had agreed to call it back the next day to check whether or not it was working correctly. But she didn't do this, and no data was transmitting. So he thought Herts was then entitled by the policy's terms and conditions to cancel the policy after giving seven days' notice. And he thought its offer of compensation for any errors was fair and reasonable.

Mr G replied asking for an Ombudsman's review, so the complaint has come to me for a final decision. He thought the insurer had admitted that an error had been made, and Miss G had been unfairly treated.

## **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 can understand that Miss G felt frustrated that her policy had been cancelled when she had paid for this in full. I was sorry to hear that she has to pay a higher premium for her new cover. Our approach in cases like this is to consider whether the broker's acted in line with the terms and conditions of the policy and fairly and reasonably.

I can see that Miss G was required to agree to a declaration when she took out her policy through Herts:

*"I am aware that if the telematics device is not fitted, correctly installed and in working order after 72 hours [Herts] can cancel this insurance with seven day's notice.*

*I understand that it is an ongoing requirement of this insurance that the telematics device supplied must be correctly fitted, working and kept charged while the insured vehicle is in use or parked, otherwise no cover will be effective under the policy other than the minimum level of cover required by law."*

I think this is a common requirement in telematics policies. And I think it was sufficiently drawn to Miss G's attention when she took out her policy for Herts to rely upon it.

Herts wrote to Miss G to alert her that her black box wasn't transmitting data. Miss G didn't respond. And so Herts wrote again and warned her that her policy would be cancelled if this wasn't corrected in seven days' time. And it explained what Miss G needed to do to reset the box.

I understand that Mr G said they didn't receive any cancellation correspondence. And I can't see that Herts has contested this. But I think it's more likely than not that Herts did send this notice of cancellation. And it also called Miss G, and she responded to the missed call. So I think Miss G was made aware that she needed to take steps to ensure the box was transmitting.

When Miss G then called Herts, it explained how she should reset the box. But Miss G wasn't in her car at the time and so she wasn't able to complete the process. So she called Herts the next day and it took her through the steps whilst she was in the car. In this call, Miss G agreed to drive the car and then call Herts the next day to check that the reset had been successful, and the box was transmitting.

But unfortunately Miss G didn't call Herts again within the notice of cancellation period. Herts has shown evidence that the box wasn't transmitting during that time. Herts sent a text to Miss G asking her to contact it again, but she didn't respond. And so it cancelled the policy in keeping with the terms and conditions.

Mr G thought the box may have been faulty. In the call with Miss G, Herts said that a reset was 99% successful in getting the box transmitting. It said that if this didn't work then it may need a reset on its side or it may need to replace the box. But Herts later sent the box to its supplier for testing and its file states that the box was working correctly. So I haven't seen any evidence to show that the box was faulty.

When the policy was cancelled, I can see that Herts issued the required cancellation documents. Mr G said they either didn't receive these or have access to them. But I can see that they were sent. And Miss G said she received an email asking her to log into her online account after the policy had been cancelled. So I can't say why Miss G didn't receive the cancellation documents.

When Miss G complained that the cancellation had been unfair, I can see that the policy's underwriter said that the policy had been cancelled in error. And it asked Herts to remove records of the cancellation so that Miss G doesn't need to disclose this to future insurers. I think this was positive, but I haven't been provided with an explanation for why the insurer thought Herts had made an error.

I think Miss G should have been reasonably aware that her policy required the box to be transmitting for her cover to remain in place. But from Herts' file notes, I can see that it thought it didn't give a warning about the potential cancellation in its calls with Miss G. And it didn't stress the importance of Miss G calling it back to confirm that the reset had been successful.

So although Herts cancelled the policy in keeping with the terms and conditions, I agree that there were missed opportunities in the communication which may have prevented the cancellation. But I also think that if Miss G had called Herts back as she had agreed to do, then this could have been avoided.

When a business makes a mistake, as I think Herts has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

Herts has explained that it's unable to reinstate the cancelled policy. But the insurer has confirmed that Miss G need not disclose the cancellation in the future. Miss G had to find

alternative cover elsewhere. This was more expensive, but I can't reasonably hold Herts responsible for the insurer's premiums. So I think Herts has restored Miss G's position as far as it's able to do.

Herts applied the insurer's charges pro rata for Miss G's time on cover. But it waived its own fees, and it offered Miss G £200 compensation as a gesture of goodwill. Miss G lost a few months towards a year's NCD. She has been caused trouble and upset. And I think this offer of compensation is fair and reasonable as it's in keeping with our published guidance for the impact of the error. So I don't require Herts to do anything further. I think it's for Miss G to contact Herts if she wants to accept its offer.

### **My final decision**

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 14 July 2025.

Phillip Berechree  
**Ombudsman**