

The complaint

Mr C complains that Hastings Insurance Services Limited (“Hastings”) unfairly cancelled his motor insurance policy.

What happened

The subject matter of the insurance was a car that had first been registered in 2016.

Mr C acquired the car in 2023.

He took out a policy for the car for the year from 19 December 2024. The policy covered him as policyholder and his wife as a named driver.

It was a telematics policy known as YouDrive , branded with the name of Hastings, an insurance intermediary. An insurance company associated with Hastings was responsible for dealing with any claim.

The total cost for the year was going to be as follows:

Product cost (including IPT)	£549.71
Arrangement fee	£ 20.00
YouDrive tab (including VAT)	£ 20.00
Total	£589.71

With effect from 27 March 2025, Hastings cancelled the policy, saying this was because of issues with receiving driving data.

Mr C had to arrange alternative insurance cover urgently.

Mr C complained to Hastings that it hadn’t treated him fairly and had caused him financial loss as well as distress and inconvenience.

By a final response dated 4 April 2025, Hastings turned down the complaint.

Mr C brought his complaint to us straight away. He asked us to direct:

- a full refund of all fees and charges deducted, including the non-refundable fees
- compensation of £5,000.00 for distress and inconvenience
- a review of Hastings’ practices to prevent similar issues for other policyholders.

Our investigator didn’t recommend that the complaint should be upheld. She didn’t think that Hastings had acted unfairly by cancelling the policy.

Mr C disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- He installed and paired the telematics device. The device remained correctly fitted and powered.
- The Hastings system never received his telematics data. On at least three occasions (27 December 2024, 27 February 2025, 14 March 2025) he notified Hastings of data in his YouDrive dashboard.
- There was an unclear requirement for phone-settings.
- His wife was not contractually obliged to share her driving data.
- Hastings gave no meaningful technical support to diagnose why his device failed to transmit data.
- Cancellation caused severe financial hardship and anxiety.

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.

The Financial Conduct Authority is the regulator of financial services. The FCA's dispute resolution rules are binding on the Financial Ombudsman Service.

We may investigate a consumer's complaint about unfair acts or omissions of a regulated firm. Where we uphold such a complaint, we look at the impact of the unfair acts or omissions on the complainant consumer. We may direct the firm to make redress for that consumer.

We don't assess compensation at a level intended to punish or deter unfair acts or omissions. We don't investigate the firm's general practices or direct the firm how to treat other consumers.

Telematics policies work by giving drivers a lower premium in return for them sharing their driving data.

That's reflected in Hastings' policy terms including the following:

*"Your driving data terms and conditions
Summary*

...

It is a condition of the YouDrive policy that you share your driving data with Hastings using the Hastings Direct app and the YouDrive tab.

...

Setting up YouDrive

...

Once you have paired the Hastings Direct app with your tab, make sure you have your location, Bluetooth and motion sensor permissions (if required) turned on and set to allow always. The Hastings Direct app will guide you through this step-by-step. The reason it is important to do this is so the Hastings Direct app can record your driving data automatically. You will need to ensure that you use the app and your tab on every drive. If you share insufficient driving data with us during your period of cover, it may be cancelled, so it's important to ensure your trips are recorded accurately (see Cancellations section for further detail).

It is not a requirement that any named drivers on your policy use the app, but use by the policyholder is a key part of the terms of the Hastings Direct YouDrive policy."

From that, I've noted that it was a requirement for the policyholder to have his location permission set to "allow always". That didn't apply to the named driver.

I find that the final response overlooked that policy term when it said the following:

"...the permission need to be set to always allow rather than only when in use, which you were not happy with, and you requested to see the clause in the terms and conditions which states you must do this. To notify you, this is not a policy clause, it is a recommended setting which enables to policy to function."

The policy terms also included the following:

*"Your insurer's right to cancel your policy
We are authorised by your insurer to exercise its rights of cancellation set out in this section and to communicate to you, your insurer's exercise of those rights.
Your insurer's right to cancel your policy for any valid reason includes but is not limited to the following:*

...

- 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*

...

Cancellation notice

...

your insurer will provide you with a minimum of seven days' written notice of cancellation which will be sent to the last email or postal address on our system"

I'm satisfied that on 27 December 2024, Hastings sent Mr C an emailed letter and a text message. The letter said that Hastings wasn't receiving data. It said that this may be because the app or Mr C's phone settings weren't set up correctly. The text was to tell Mr C about the email.

I'm satisfied that on 27 February 2025 Hastings sent Mr C an emailed letter and a text message. The letter said that Hastings hadn't received driving data for a while. It included instructions on how to change the settings on his phone. The text was to tell Mr C about the email.

I'm satisfied that on 13 March 2025 Hastings sent Mr C an emailed letter and a text message. The letter said that, unless it resolved the issue of driving data, Hastings would cancel the policy on 27 March 2025. The text was to tell Mr C about the email.

From the recording of the call on 14 March 2025, I find that Mr C had received the notice of cancellation the previous day. Hastings asked Mr C to change the settings on his phone.

I'm satisfied that on 19 March 2025, Hastings sent Mr C an email with a copy of the policy terms highlighting the requirement to share location data.

I'm satisfied that on 27 March 2025, Hastings sent Mr C an emailed letter saying that his policy was cancelled due to issues with receiving his driving data.

As he complained on 27 March 2025, I find that Mr C knew on 27 March 2025 of the cancellation.

I'm satisfied that Hastings told Mr C that it wasn't receiving enough data, told him how to resolve that issue and gave him a reasonable opportunity to do so. I'm also satisfied that Hastings gave Mr C reasonable notice in line with the policy terms before it cancelled the policy.

I've noted that Mr C had told Hastings that the total number of vehicles in the household was one. So I find it likely that both he and his wife drove the car. However I don't accept that this explains the insufficient driving data.

When Mr C filled in our complaint form, he said the following:

"I was advised to alter my phone settings in ways that I found invasive and contrary to my expectations when purchasing the policy."

From that, I consider that it's clear that Mr C hadn't adjusted his phone setting to always allow location services – and that's what caused Hastings to receive insufficient driving data.

So I don't accept Mr C's suggestion that Hastings' system was at fault. And I don't accept his suggestion that we should ask Hastings to show us the driving data that it did receive.

I don't under-estimate the consequences of the cancellation on Mr C and his family. However, I don't find it fair to hold Hastings responsible or to pay compensation for those consequences.

In any event, Hastings' arrangement fee and price for the tab were non-refundable costs that Mr C had already incurred. So I see no basis on which it would be fair to direct Hastings to refund them.

From what I've seen, Hastings' calculation was as follows:

paid by Mr C	£589.71
less	
arrangement fee	£ 20.00
tab	£ 20.00
subtotal	£549.71
less	
time on cover 98 days	£147.59
total deductions	£187.59
refund 27 March 2025	£402.12

Hastings didn't charge its cancellation fee of £45.00. And I'm satisfied that, starting from a yearly product cost of £549.71, dividing by 365 days gives a daily rate of about £1.51. And Mr C had 98 days cover. So the charge of £147.59 for time on cover is proportional and fair. So I don't find it fair and reasonable to direct Hastings to refund any more.

Overall I don't conclude that Hastings treated Mr C unfairly. So I don't find it fair and reasonable to direct Hastings to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Hastings Insurance Services Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 October 2025.

Christopher Gilbert

Ombudsman