

The complaint

Ms H has complained that Accredited Insurance (Europe) Ltd (Accredited) unfairly charged her an additional premium and then threatened to cancel her motor insurance policy.

Ms H is represented in this matter by her mum, but, for ease of reading, I'll only refer to Ms H within this decision.

The policy is administered by an insurance intermediary and it's underwritten by Accredited. So, as Accredited is ultimately responsible for the decisions regarding additional premiums and cancellation of the policy, I will only refer to it throughout this decision.

Ms H has also complained about the actions of the intermediary which we are considering under a separate reference number. But the intermediary was acting as Accredited's agent in respect of some of the aspects of this complaint. Where that was so I have only referred to Accredited even where it was the intermediary that took those actions.

What happened

Ms H took out a policy with Accredited in November 2023 which required her to have a telematics box (the box) installed in her car. The box was intended to monitor her driving style. The terms of the policy said that Accredited could charge an additional premium or issue a refund depending on Ms H's driving score as given by the box.

In January 2024 Accredited wrote to Ms H. it said that as her driving score had gone down she would be required to pay an additional premium of £729. Ms H didn't think the data was correct. Accredited looked into it. Its telematics team noted that there had been some 'alerts', possibly caused by the manner in which the box was fitted. So it said it couldn't rely on the current data. Ms H was given an apology that the data had been unreliable. The additional premium was removed and Accredited sent Ms H a second box to instal in May 2024. It paid her £150 for the distress and inconvenience associated with the unreliable box.

Shortly after installing the second box Accredited wrote to Ms H again. It said that as her driving score had gone down it would charge her an additional premium of £858. Ms H complained again as she felt that the data must be incorrect.

Accredited said it was satisfied that the new box was reporting the data correctly and there were no anomalies with it. It told Ms H that the data from the previous box was not being used to calculate the additional premium from May 2024 onwards. It went on to say that as Ms H's driving score had dropped below an acceptable level it would cancel the policy. Ms H then cancelled the policy herself. Accredited charged her for her time on cover and the broker applied additional charges for the cancellation.

Ms H brought her complaint to the Financial Ombudsman Service. One of our Investigators considered it. He thought Accredited had dealt with Ms H fairly so didn't think it needed to do anything else. As Ms H didn't agree the matter's been passed to me to determine.

After reviewing the file I directed our Investigator to ask Accredited to provide further explanations and evidence concerning, amongst other things, the data the box collected. Despite extending the deadline for a reply, Accredited only provided a partial response to my enquiries and didn't provide the tangible evidence I asked for.

Provisional decision

On 9 June 2025 I issued a provisional decision. I've reproduced the relevant extract below. I said:

"What I've provisionally 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.

Having done so, based on the information currently held, I don't think Accredited has done enough to evidence that the data it was relying on when charging an additional premium or threatening to cancel the policy was reliable. As such I'm currently minded to partly uphold the complaint.

However, I must add a note of caution. If, in response to this provisional decision, Accredited supplies adequate evidence for its actions, I may revisit my finding on this point. If I do so I will issue another provisional decision and give the parties the opportunity to comment upon it.

In bringing her complaint Ms H has made a number of detailed points. I've considered everything she said and everything on file. But I don't intend to address each and every point made here. Instead I will focus on what I see as being the key issues and the reasons for my provisional decision.

Why I'm provisionally minded to partly uphold this complaint

We asked Accredited to explain why it felt the initial data from the first box was unreliable. Accredited told us that it had received 'battery alerts' from the box. It said this might happen where the box isn't fitted correctly and so can produce results that might not be reflective of the actual driving style. However, it said that simply because it received those alerts didn't automatically mean that the data it captured was inaccurate. But because it couldn't be certain the data was reliable it decided not to use it when deciding if an additional premium was payable.

After the second box was installed Ms H's driving score, most notably around accelerating and braking events, began to deteriorate within a matter of days. I can understand, from Ms H's perspective, that she believed this happened because of a further anomaly with the second box. This would have appeared to her to be a repeat of what happened after she took the policy out. That is that her driving score was good for a short period before suddenly deteriorating. When, as far as Ms H was concerned, her driving style had not changed and she thought she was driving smoothly.

However I don't think I can rely on Ms H's perception of her own driving style. We asked Accredited for evidence of the data it was relying on to calculate Ms H's driving score. In response it provided some raw data including Ms H's braking and acceleration scores over time. But, crucially, it didn't show us the evidence of the driving events which informed those scores. So, to date, Accredited hasn't done enough to persuade me its data was accurate.

Similarly, I asked Accredited for evidence of the tests it carried out to verify that the second box was working correctly. In reply it gave me a, somewhat generic, explanation of the methods it employs for doing so. But it didn't provide any evidence of applying those methods.

As a result I'm not currently satisfied that Accredited can evidence that it fairly calculated Ms H's driving score. That means I similarly can't be satisfied that it fairly applied an additional premium or that the warnings of the policy cancellation were fair. It follows that I don't think it's dealt with Ms H reasonably."

Developments

Ms H accepted my provisional decision. Accredited provided me with further information. Amongst other things it supplied some more detail on the anomalies with the data from the initial box. It also explained how it had concluded that the second box was working correctly. But it didn't provide any further information, other than the daily scores – which we already had, which showed the data points or events it was using to calculate Ms H's daily braking and acceleration scores, which were the key reason for her overall poor driving scores.

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.

In response to my provisional decision Accredited has now explained how its IT Team had concluded that the second box was working as expected and without the anomalies which were occasionally present with the first box. So it's satisfied, it says, that the second box was working as expected.

However, while Accredited did supply some additional information about how it applied its algorithm to produce its driving scores it didn't provide the appropriate supporting data. So, it didn't show me any detail of the number of braking or accelerating events over time to show how it had applied those to its algorithm. In other words Accredited hasn't produced any tangible evidence of the events that it thinks led to the poor scoring.

So, while I appreciate that Accredited believes its second box was working correctly, given the lack of transparency when providing data, I have no way of verifying that is correct. As a result, I remain of the view that Accredited has not done enough to show that its driving scores applied to Ms H, which triggered the additional premiums and Ms H's eventual decision to cancel her policy, were based on reliable data. In those circumstances I don't think Accredited has dealt with Ms H fairly and reasonably.

Putting things right

If Accredited had dealt with Ms H fairly it's likely she wouldn't have had to pay an additional premium and the policy wouldn't have cancelled. So to put things right I think Accredited should:

- Recalculate and charge for Ms H for the time it provided the insurance cover based solely on the original premium she agreed to pay without any adjustment for the driving score. When doing so, as she only had the benefit of her policy and its extras for a limited period of time, Accredited should only calculate a charge on a pro rata rate basis for the telematics fee and optional extras, even, if these were charges applied by the broker. It should then refund the sum she's been overcharged.
- Similarly, if Accredited had handled matters fairly then Ms H wouldn't have incurred cancellation fees. So it should refund any cancellation fees it or the broker charged her. It need not refund a fee if the broker has already refunded the same fee.
- Accredited must add interest to its refund calculated at a rate of 8% a year simple from the date Ms H cancelled her policy to the date it makes payment¹.
- Additionally, it's clear from the contents of Ms H's communications with Accredited

¹ If Accredited considers it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Ms H how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

that this matter has been an ongoing source of frustration, exasperation, distress and inconvenience for her over many months. To address this Accredited must pay her a further £500 compensation.

My final decision

For the reasons set out above I uphold this complaint. I require Accredited Insurance (Europe) Ltd to take the steps set out under the heading of 'putting things right' above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 12 August 2025.

Joe Scott
Ombudsman