

The complaint

Mr S complains about how Advantage Insurance Company Limited (“Advantage”) cancelled his car insurance policy when it said his driving score was too low.

Mr S is represented in his complaint, but for ease I’ll refer to him throughout.

What happened

Mr S had a car insurance policy with Advantage, the terms of which required him to have a telematics device (aka a “black box”, or a “tab” for this company) and an associated app on his phone.

Mr S is a student and his car stays at his family home while he studies. What this means is that his use of it is mainly limited to vacations. He’d used a similar policy the previous year with another company and had no issue with this type of usage.

In April 2025 Advantage contacted Mr S and told him its systems had determined that he wasn’t sending it enough data to be ‘scored’ on. Mr S had returned home from study and was starting to use his car more. Three days later, Advantage wrote to him and told him that it would be cancelling his policy by the end of the month.

Mr S complained. Advantage was considering his complaint. Mr S decided to cancel his policy so that it wouldn’t stay on his records. He struggled to find a new provider for cover, which meant he couldn’t use his car.

Advantage’s final response to Mr S said it thought it acted fairly and in line with the policy terms. It provided some information about low-scoring trips Mr S had made and said it thought its decision was fair.

As Mr S remained unhappy, he brought his complaint to this service. Our investigator looked into it and thought it would be upheld. She thought Advantage hadn’t given Mr S enough notice and he’d started to use the car again in his vacation so was building up his driving score again. She thought it should pay him £300 compensation and refund Mr S’s reasonable, additional, costs he incurred by not being able to use his car.

Mr S agreed with the view but also said he’d incurred higher premium costs when he’d taken out cover again later in the year.

Advantage didn’t agree. It said it had chosen to cancel his policy based on several trips he’d made, and that Mr S had the chance to improve his score between the date it told him it would cancel his policy, and the predicted cancellation date. But he’d not done this and had cancelled his policy.

Because Advantage 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'm upholding Mr S's complaint.

I can see from the file that Mr S has now started a new policy with the previous provider he'd used before taking out the policy with Advantage. He's commented that he'd had no issues with this other provider previously and changed because Advantage was slightly cheaper. He said he no longer wishes to be insured by Advantage, which means I don't need to consider part of the view about his cover re-starting so I won't mention it further here.

From the file, Mr S's policy started in early March 2025. About a month later, he was contacted by Advantage saying that no data had been received in for some time, and to check the device and app were working. Importantly, the letter said he should contact it if he wasn't using his car very much.

Three days after this first letter, Advantage wrote again and said his driving score was too low and it would be cancelling his policy on 1 May.

A telematics policy enables the driver to possibly benefit from reduced premiums, due to data from the device being used to assess and 'score' the drivers and driving activity.

Under Advantage's terms, this score must stay above 30, and if it doesn't then Advantage can cancel the policy:

"We collect your driving data through the app and tab (which is the small wireless device you purchase from us, that we will send you in the post).

You will be able to see clearly how you are doing in the app after you have downloaded it to your smartphone and paired it to your tab.

You can see your overall driving score (out of 100) in the app, as well as how you drove on every trip you have made.

Your driving score needs to stay above 30 at all times, or your policy may be cancelled. You will always get plenty of time to find insurance elsewhere and you can cancel the policy yourself, so any future insurance applications won't be affected. You may also be able to pay more for your policy and stay insured by us (please see the Cancellations section for more details). The app will clearly show you if your driving score gets close to 30."

I think this wording is clear and understandable.

I've looked at the letter Advantage sent Mr S telling him about the low score. It doesn't say he can improve it. It simply says it's going to cancel his policy. I can't see that Advantage signposted to Mr S that he could improve his score to prevent the cancellation.

I've thought about this carefully. I can see Mr S seems to have had a very real reason why he wasn't sending Advantage data, as he wasn't using the car. Then, when it wrote to him about it, it didn't seem to tell him how he could improve his score, only that he needed to check his tab and app were working.

Then, three days later, it told him it would be cancelling his policy. That letter also does not

mention improving his score.

I don't think it's fair that Advantage gave Mr S such short notice before it moved to cancel his policy, but I also think the notice period it gave him was fair.

What this notice period meant was that Mr S was able to cancel his policy, which means he didn't need to disclose its cancellation to other insurers in future. It also didn't charge him cancellation fees and I think this is fair.

So, while I think that the cancellation was in line with the terms and conditions of the policy, I think Mr S should have been given the opportunity to improve his score. And I don't think Advantage did this or communicated it clearly to him.

Mr S has talked about his distress and inconvenience. I can see he wasn't able to afford another policy to replace this one until later in 2025.

I've thought about this, and I think the appropriate level of compensation should be set at £300 and I can see Mr S accepted this.

I also think it's fair that Advantage pay Mr S reasonable, evidenced, additional costs he's incurred due to Advantage cancelling his policy. What I mean by this is costs over and above the cost he would have incurred if he'd been able to run his car. If he wishes to do this, he needs to send evidence to Advantage for the period affected.

Finally, I can see Mr S has pointed out that the cost of insurance had risen from when he'd originally taken out the policy to when he was able to buy its replacement. He's said he thinks the market moved. I've thought about this, but I don't think I can ask that Advantage contributes towards this extra cost. Although I don't think it acted fairly when it gave Mr S very short notice that it would cancel his policy, the terms of the cover do allow it to cancel the policy. And I can't fairly say Advantage is responsible for the insurer he's now insured with, or the general market, moving its prices in the intervening time.

My final decision

For the reasons set out above, I uphold this complaint. I direct Advantage Insurance Company Limited to:

- Pay Mr S £300 compensation for his distress and inconvenience caused by it saying it was going to cancel his policy with short notice.
- Refund Mr S reasonable, evidenced, additional costs he's incurred due to not being able to use his car.

Advantage must pay the compensation within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 December 2025.

Richard Sowden
Ombudsman