

## The complaint

Miss H complains AXA Insurance UK Plc (AXA) looked to cancel her motor insurance policy

## What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events. Miss H held a motor insurance policy provided by AXA. As part of Miss H's policy, AXA would monitor Miss H's driving and may adjust her premium each month based on her driving performance.

In June 2024 AXA sent Miss H an email to say her driving score had reduced and so she may need to pay more for her insurance. On 10 July 2024 Miss H was sent correspondence to say her policy would be cancelled on 17 July 2024 at the insurer's request. Miss H contacted AXA to ask why her policy was being cancelled. She was told when it reviewed her driving score it was at 30 and this meant it could no longer offer her a policy. AXA said it could see the driving score was currently at 32 and so it would see whether it could continue to offer a policy, but if not, the cancellation would stand.

On 16 July 2024 Miss H contacted AXA for an update and was told the cancellation of the policy would stand. Miss H made the decision to cancel the policy at this point. As a claim had been recorded on Miss H's policy the full premium was due. Miss H raised a complaint with AXA. She said her policy documents explained her policy would be cancelled if her driving score fell below 30, which hers didn't. She also said she wasn't given any warning of the impending cancellation or given the opportunity to improve her driving score.

On 19 August 2024 AXA provided Miss H with a final response to her complaint. It didn't uphold Miss H's complaint and said when purchasing her policy, Miss H was asked to read and agree to its terms and conditions before proceeding with the quote and this made clear Miss H's driving would be monitored. Miss H didn't think this was reasonable and so referred her complaint to this Service.

Our investigator looked into things. She said the policy terms explained Miss H's policy may be cancelled if her driving score fell below 30, but Miss H's driving score hadn't fallen below 30. So, she said she thought AXA had acted unreasonably when it cancelled Miss H's policy. She said she thought AXA should waive the outstanding premium Miss H was liable to pay.

AXA didn't agree with our investigator. It said Miss H's driving score had dropped and so it was unable to continue to offer a policy. It said this meant the policy had to be cancelled. It also didn't agree it should waive the outstanding premium due.

I issued a provisional decision about this complaint and I said:

*'I want to acknowledge I've summarised Miss H's complaint in less detail than she's presented it. I've not commented on every point she has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Miss H and AXA I've read and considered everything that's been provided.'*

AXA have said based on Miss H's driving score, it was unable to provide a quote and so it was necessary for the policy to be cancelled. So, I've considered whether this is reasonable in the circumstances.

The terms of Miss H's policy state:

*'We or iGO4 may cancel Your policy at any time if there are valid grounds for doing so. Except in the event of fraud or any other exceptional circumstances We will provide You 7 days' notice of cancellation in writing by e-mail or letter.*

Reasons for cancellation may include but are not limited to:

- *If Your Driving Behaviour Score falls below 30 and You do not make improvements when asked to do so in any Period of Insurance'*

Miss H doesn't think it was fair for AXA to cancel her policy because her driving score didn't fall below 30. However, whilst Miss H's policy was cancelled due to her driving score, it wasn't cancelled because her driving score fell below 30.

The terms of Miss H's policy explain Miss H's driving score could impact the premium Miss H pays for her policy. When Miss H's driving score fell to 35, the additional premium that would have been due as a result would have taken Miss H's premium above the limit AXA allow for a policy. Therefore, it cancelled Miss H's policy.

I've reviewed the information AXA have provided and I'm satisfied it has been able to demonstrate Miss H's driving score had fallen to 35, and the subsequent impact this would have had on Miss H's policy. As this was above the limit it would agree to insure, it was entitled to cancel Miss H's policy. The terms of Miss H's policy explain AXA are entitled to cancel the policy if there are valid reasons for doing so, and I'm satisfied this was a valid reason for doing so. The examples given in the policy aren't an exhaustive list, but rather examples of what may be considered a valid reason for cancelling the policy.

I acknowledge AXA could have been clearer in its correspondence with Miss H that her policy was at risk of cancellation if her driving score didn't improve. However, it did send Miss H an email on 22 June 2024 advising her that her driving score had decreased and warning her that her premium may increase. So, I'm satisfied Miss H had an opportunity to improve her driving score before AXA looked to cancel her policy.

Prior to the cancellation of Miss H's policy she was involved in an incident involving another vehicle and so a claim was recorded on her policy. The terms of Miss H's policy state:

*'A proportionate refund of any premium paid, less agreed charges detailed in the WiseDriving Terms and Conditions will be allowed providing there has not been a claim against the policy in the current Period of Insurance. If there has been a claim during the current Period of Insurance or an incident that may give rise to a claim no refund of premium will be given.*

*If the premium is being paid by instalments, the outstanding balance under Your credit agreement including any interest charges will become payable by You. For further information regarding Your interest charges please refer to Your credit agreement.'*

*As a claim has been recorded on Miss H's policy and she was paying her premium in instalments, she is liable for the outstanding balance under her credit agreement.*

*I understand Miss H has raised concerns about the claim recorded on her policy as she doesn't believe there was any damage to the third-party vehicle. She would need to raise this as a separate complaint with AXA in the first instance. Similarly, if Miss H is unhappy with any elements of the balance she is being asked to pay following the cancellation of her policy, she would need to raise this as a separate complaint to the business responsible for that element of the balance.*

*I know this will be disappointing for Miss H, however for the reasons I've explained, I'm satisfied AXA have acted reasonably when it cancelled Miss H's policy.*

AXA didn't respond to the provisional decision but Miss H didn't agree with it. She provided a detailed response but in summary she said:

- All her communication was with the policy administrator and not AXA.
- Her complaint was about the policy administrator serving notice of cancellation contrary to its terms.
- The terms of her agreement with the claim administrator explained it would send a warning if her driving score fell below 30, yet she received no warning.
- Her complaint about AXA was that she didn't believe it was looking to cancel her policy due to her driving score, but rather to recoup the costs it incurred settling a third party claim unfairly.

### **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.

Having done so I've reached the same outcome as I reached previously for much the same reasons as set out in the provisional decision.

I acknowledge Miss H's communication about her policy was with the policy administrator rather than AXA. However, the decision to cancel Miss H's policy was made by AXA so it is ultimately responsible for this complaint. Any references to AXA in my decision also include the actions of the policy administrator on behalf of AXA.

Miss H has said the terms she agreed to with the policy administrator explain if her driving score fell below 30, she would receive a warning of this. She said she didn't receive a warning prior to receiving notification of her policy being cancelled. However, as explained previously, Miss H's driving score didn't fall below 30, and so Miss H wouldn't have been told this was the case.

Miss H's policy was cancelled because her driving score had fallen to a level which meant her premium would increase above the limit AXA allow for a policy. The terms of Miss H's policy explain AXA may cancel a policy, giving seven days' notice, if it had valid reason for doing so. I'm satisfied the premium increasing above the limit AXA are able to accept is a valid reason for cancelling the policy, and Miss H was given seven days' notice of the policy being cancelled.

I'd consider it good industry practice for AXA to have given Miss H a reasonable opportunity

to improve her driving score before looking to cancel her policy. As explained previously, on 22 June 2024 Miss H was made aware her driving score had decreased which may impact her premium. So, I think she was given a reasonable opportunity to improve her driving score before AXA sought to cancel it. I think AXA could have been clearer to Miss H her policy was at risk of being cancelled unless her driving score improved, however given Miss H's driving score didn't change significantly despite the warning she received about her driving score, I'm not persuaded this would have made a difference here.

Miss H has said she doesn't believe AXA cancelled her policy due to her driving score, but rather to recoup the costs it incurred settling a third-party claim. She has also raised concerns about its decision to settle the third-party claim as she has said there was no damage to the third-party vehicle.

Based on the evidence AXA have provided from its underwriters, I'm satisfied its decision to cancel Miss H's policy was based on the premium due rising above the limit it deems acceptable. I've not seen persuasive evidence its decision to cancel Miss H's claim was related to the claim made under her policy. If Miss H is unhappy AXA have settled a third-party claim under her policy, she can raise this as a separate complaint with AXA in the first instance.

### **My final decision**

For the reasons I've outlined above, I don't uphold Miss H's complaint about AXA Insurance UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 2 September 2025.

Andrew Clarke  
**Ombudsman**