

The complaint

Miss H and Mrs H have complained about the way Atlanta Insurance Intermediaries Limited trading as Marmalade have administered Miss H's telematics motor insurance policy. She is particularly unhappy that it was cancelled.

What happened

Miss H had a telematics (tag) motor insurance policy which was arranged and administered by Marmalade. This provided a tag which would need to be placed in the car and connected to Bluetooth each time she drove. Mrs H is the registered keeper of the car.

Marmalade say they recorded Miss H having a 'red journey' on 4, 6, 8 and 10 July 2024. A red journey was described as being recorded as driving in a style that would negatively impact her driving rating. Marmalade say Miss H was contacted following each of these before a further instance on 19 July 2024 resulted in them issuing a seven-day notice of cancellation. To take effect on 26 July 2024.

Marmalade say Miss H called them after the cancellation notice was sent and was told about the red journeys and missing documents on her record.

Prior to the cancellation, Miss H was involved in an accident that resulted in her receiving hospital treatment. She has a separate case ongoing with the insurer, regarding a claim. She has complained to Marmalade about the cancellation and notice of the red journeys, as well as the service she has received.

Marmalade responded to say they stood by the way the policy was administered and the notices that were given that resulted in the cancellation. However, they felt communication could have been better, especially when Miss H called after the cancellation notice had been sent. So, they offered her £100 for the distress and inconvenience caused.

Miss H remained unhappy and brought her complaint to our service for a review. Our investigator looked into it, but didn't think it was one that should be upheld. She said the red journeys had been recorded correctly and it was fair to initiate the policy cancellation. She thought the £100 was sufficient.

Miss H didn't agree. She replied through her mother to say Mrs S should have been made aware of the red journeys, in line with the policy terms and so insufficient notice of cancellation had been given.

As no agreement was reached, the case was passed to me and I issued my provisional findings on 26 August 2025. An extract from which, forms part of my decision below.

Firstly, I would like to reiterate what the investigator has already explained. Marmalade sold and administered the policy. They are not ultimately responsible for the cancellation decision or the claim. So, in this case I am only considering their administering of the policy in regard to the red journeys.

Miss H's policy says under "Driver Caution process" that a caution notice will be "sent to you and the registered keeper of the vehicle following a red journey". In this case, Mrs H as the registered keeper received no red journey caution notices. Only Miss H received them, via text and email.

Mrs H has said that had she received the caution notices, she would have prevented Miss H receiving more and stopped the cancellation of the policy. But I don't agree. The notices were given for Miss H's driving style and scored low for issues such as late braking and speeding. Whilst I note Mrs H's comments that she sought this policy because it promised to give her sight of her daughter's driving through warnings, I don't believe she would have been able to prevent caution process being followed and the eventual cancellation from the insurer because of this. Miss H received a high number of warnings in a short period of time (4 in 6 days). I don't believe Mrs H would have been able to stop these occurring over the term of the policy. It is also important to note that Miss H received the warnings (she acknowledges the text messages but says the emails went into her junk folder) and these didn't change her style of driving.

I haven't seen any evidence that Marmalade were required to inform the registered keeper of the policy of the notice of cancellation. So, I can't say they have done anything wrong with their administration of this.

However, Mrs H is an eligible complainant as the keeper and owner of the car. I have considered the distress and inconvenience caused to her. She was expecting to receive notice of red journeys and hadn't been. There was a loss of expectation there and a shock and distress when she found out what had happened, that I think she needs to be compensated for. I think Marmalade should pay Mrs H £200 for the impact of this. This is on top of the £100 they have already offered to Miss H for emails going into a junk folder. Which I think is a fair amount.

In summary, Marmalade didn't do what they should have here and Mrs H wasn't informed (as the registered keeper) of Miss H's red journeys. Whilst I think she should be compensated for the impact of them not doing so, I don't believe it would have prevented Miss H from going through the caution process and ultimately the policy being cancelled. This was done because of Miss H's driving (including 4 red journeys in 6 days) and because she ignored the notices she was given by text.

Marmalade responded to say they agreed with the provisional findings and had nothing further to add.

Mrs H responded in full and not in agreement with the provisional decision. Amongst the points in reply, she said:

- Reiterated the initial complaint points raised last year.
- Provided further examples of the emails sent from Marmalade to Miss H and why she doesn't think they were appropriate or sufficient.
- Stated again that the policy was specifically designed for parents to be kept informed and that wasn't done. Preventing her from intervening in the manner of driving and eventual cancellation.
- The communications with Miss H did not convey how serious the situation was and there was a call in the meantime that had not conveyed the impact of the red journeys.

- Compensation is not the driver for the complaint and removal of Miss H's cancellation is.

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.

Whilst I acknowledge the full and fair reply from Mrs H and I recognise the impact this will have on Miss H. My decision remains as I set out provisionally.

Marmalade made errors and didn't do what they said they would do. However, I then have to consider the impact of this and what would have happened. I don't believe it would have prevented the policy cancellation by the insurer. As I said, this was due to the obvious style of Miss H's driving and frequency of the warnings. And also, because she'd had notice of the impact this might have, and it hadn't changed anything. I can't therefore fairly say that making Mrs H aware would have meant the red journey process wouldn't have been met and failed, throughout the term of the policy.

I note Mrs H's points that the notifications (emails) hadn't been sufficient as they were suspicious and that the telephone call hadn't explained the seriousness of the warnings. However, text messages were sent which I feel were clear. And the emails did give sufficient details in the attachments and could have been queried. Whilst the call wasn't good enough in explaining the situation, the notice of cancellation had already been given at that point and explained in the letter that had been sent.

In summary, whilst Marmalade should have done more (they are not ultimately responsible for the cancellation as that is the insurer) I can't say if they had, it would have prevented the cancellation. I think they should compensate Mrs H for not doing as they should have done.

My final decision

I uphold this complaint and ask Atlanta Insurance Intermediaries Limited trading as Marmalade to pay Mrs H a further £200. On top of the £100 they have already offered Miss H, if they haven't already paid that.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H and Mrs H to accept or reject my decision before 10 October 2025.

Yoni Smith
Ombudsman