

The complaint

Mr S complained Advantage Insurance Company Limited cancelled his motor insurance policy.

What happened

Mr S took out a motor insurance policy with Advantage in April 2025. Advantage found on a database that a second policy was taken out with a different insurer for Mr S's vehicle – so they told him they'd cancel his policy with them unless he responded. Advantage didn't hear from Mr S so cancelled his policy. When Mr S saw the cancellation notice, he called Advantage about it. He told them the reason there was two separate policies for his vehicle was because his daughter took out a policy for her own use. Advantage said the policy will remain cancelled, and Mr S complained.

When Mr S referred his complaint to our Service, he said Advantage could have verified who the registered owner of the vehicle was before making such a severe decision. He explained how the cancellation has impacted him financially and said he wants his policy reinstated and any cancellation marker removed.

An Investigator looked into what happened but didn't uphold the complaint. He felt Advantage's reason for cancelling the policy was fair and that they gave enough notice to Mr S. Mr S disagreed and the complaint couldn't be resolved, so it has come to me to decide.

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.

Mr S's policy, like most motor insurance policies, entitles Advantage to cancel his policy for any valid reason. And it says Advantage will provide him with a minimum of seven days' notice of cancellation which will be sent to the last email or postal address on their system.

Advantage sent Mr S a letter and an email on 15 July 2025. It said they found a separate insurance policy for his vehicle was taken out and asked him to contact them as soon as possible to check he's not paying for two policies. It said if he's not planning to replace his vehicle in the next 14 days, he didn't need to do anything. And that Advantage would cancel his policy on 29 July 2025 backdated to 10 July 2025 – which is when the other policy was taken out.

Mr S didn't contact Advantage before the deadline, and, on 30 July 2025, they sent him another letter and email confirming his policy had been cancelled and all cover had ended.

The reason Advantage gave for cancelling the policy is because they saw another policy for the same vehicle. They explained that dual insurance creates unnecessary complexity, delays in claims handling and potential disputes between insurers in the event of a claim. They said it's standard to cancel one of the policies in situations like Mr S's and I don't find this explanation of why they told him they would cancel his policy unreasonable.

Advantage used two means of communication, email and letter, to write to Mr S both when giving him 14 days to respond and when the policy was cancelled. And I've seen his preference for communication was noted as email on Advantage's system. So, I'm satisfied Advantage gave sufficient warning they would cancel the policy and more time than was required by the policy terms.

I appreciate Mr S was on holiday at the time the first communication was sent so he wasn't checking his emails, and I'm sorry to hear about the difficult time he had since the cancellation, but I think Advantage's actions were fair and in line with the terms of their policy – and they reasonably tried to contact him about their concerns about the other insurance policy on his vehicle. So, I won't be directing Advantage to reinstate the policy or take any other action.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 March 2026.

Andrew Wakatsuki-Robinson
Ombudsman