

## **The complaint**

Miss D complains that Advantage Insurance Company Limited (Advantage) unfairly cancelled her motor insurance policy.

Miss D is represented by her father, Mr D, in her complaint. For ease I'll refer to Miss D in my decision.

## **What happened**

Miss D took a telematics policy with Advantage in November 2022. She says she was travelling for several periods during the policy year. This meant there were times when she wasn't using her car as she was out of the country.

Miss D says her father noticed an email in his junk folder entitled "we've cancelled your car insurance" on 22 August 2023. She says her father was the designated contact for her policy. He called Advantage the same day and was told it was too late to stop the cancellation. Miss D says Advantage advised it hadn't been receiving data from its telematics device, which is why it cancelled the policy.

Miss D says there were no warning messages received via the app she used to connect with the telematics device. Emails to her father went to his junk folder, and Advantage wouldn't stop the cancellation when he called prior to this happening. This meant she'd have to declare the cancellation to future insurers and likely pay higher premiums. She didn't think she'd been treated fairly by Advantage and complained.

In its final complaint response Advantage says it emailed the address it had on file on 25 July 2023 to say it wasn't receiving data. It says a further email was sent on 8 August warning of cancellation with effect from 22 August if this continued. As no data had been received Advantage says the policy was cancelled as advised.

Miss D didn't accept what Advantage had said and referred the matter to our service. Our investigator upheld her complaint. He requested telematics data from Advantage and its response to why the policy cancellation continued after Mr D had called on 22 August 2023. It didn't provide this information. Our investigator says he couldn't agree that the cancellation had been fair in light of this. He asked the business to remove the cancellation notice from any databases and to pay Miss D £250 compensation for the distress and inconvenience she'd been caused.

Miss D accepted our investigator's findings. Advantage responded with the telematics data it had been asked to provide previously. But it didn't respond to the question about why the cancellation couldn't have been stopped. Our investigator wasn't persuaded to change his view based on the evidence he'd seen.

As an agreement wasn't reached the matter has now been passed to me to decide.

I issued a provisional decision in April 2023 explaining that I was intending to uphold Miss D's complaint. Here's what I said:

*provisional findings*

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*My intention is to uphold Miss D's complaint. Let me explain.*

*The terms of Miss D's policy require her to download Advantages app onto her smart phone. It must also be connected to the telematics device it supplied, which must be fixed inside her car. Miss D's policy requires that she uses the app whenever she's driving. Advantage then monitors the driving data.*

*Miss D's policy terms say:*

*"You'll need to ensure that you use the App and [telematics device] on every drive. If you share insufficient Driving Data with us during your Period of Cover, it may be cancelled, so it's important to ensure your trips are recorded accurately (see Cancellation section for further detail)."*

*And under the 'Cancellations' section:*

*"Our rights to cancel your policy*

*We may give you seven days' notice of cancellation*

*..We can only do this for one of the following reasons:*

*..You share an insufficient amount of Driving Data with us during your Policy, we do not receive any Driving Data for more than 28 days, or a significant proportion of your Driving Data is captured without you using the App".*

*I've seen the telematics data Advantage provided. This shows the last information it received was on 20 March 2023. The business has provided screen shots from its system records. This shows emails were sent to Mr D's address on 25 July and 8 August. I've seen copies of these emails. The first says Miss D hasn't been driving much and provides some technical help in case of an issue using the app and telematics device.*

*The second email says, "We may have to cancel your policy". The records show the cancellation was then carried out on 22 August. I can see from the records provided that the cancellation was communicated by email and by post. Advantage has shown that this information was also sent to Miss D's online account.*

*Based on this information Advantage confirmed it wasn't receiving telematics data. It then confirmed its intention to cancel the policy and gave in excess of the seven days' notice required by its policy terms. So, on the face of it Advantage acted according to the terms and conditions of Miss D's policy when cancelling her cover. However, given the detrimental impact cancellation of an insurance policy can have, I've thought about whether Advantage behaved fairly and reasonably in these circumstances.*

*There's no dispute that Mr D contacted Advantage on the day he saw the cancellation email. I think this reasonably shows Miss D didn't want the policy to cancel and supports her testimony that the earlier emails hadn't been seen as they went to her father's junk folder.*

*Advantage has shown that Miss D set her communication preference as email for all*

*correspondence. However, our service takes the view that its good practice to use two means of communication in these circumstances. This is because of the significant implications cancellation of an insurance policy can have.*

*Advantage did provide seven days' notice of the cancellation but only by email. I acknowledge what it says about the online account Miss D could access. But it also confirms this account was never accessed until after the cancellation. From what I've read there's no obligation for Miss D to access or check this account.*

*I note Miss D's comments that she checked the app and found no notification relating to a cancellation. I think there has been some confusion around this point. The online account is different to the app Miss D used to link to the telematics device. From what I've read no messages were sent via the app.*

*Having considered all this, I don't think Advantage acted fairly when communicating its intention to cancel Miss D's policy. Had it sent notification of this by post as well as email, I think it's likely that either she or her father would've contacted the business earlier than they did. This will have meant avoiding the cancellation. Because of this I think it's fair that Advantage removes any record of the cancellation from its internal and any external databases. It should write to Miss D to confirm when this has been done.*

*I've thought about the impact this had on Miss D. She says this matter has, "left a stain" on her character. In addition, she says she has a very busy schedule and has had to use unreliable and indirect public transport to get around. I note her comments that the distress and inconvenience she's suffered requires a higher compensation payment.*

*I'm sorry Miss D was left without insurance and for the difficulties this caused her in obtaining replacement cover. I acknowledge there was disruption to her everyday travel. I agree with our investigator that compensation is warranted here. But I think £250 is fair in these circumstances.*

I said I was intending to uphold this complaint and Advantage Insurance Company Limited should:

- remove any record of it cancelling Miss D's policy and write to confirm this; and
- pay Miss D £250 for the distress and inconvenience it caused.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Advantage didn't respond with any further comments or information for me to consider.

Miss D responded to say she accepted my findings.

### **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.

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

### **My final decision**

My final decision is that I uphold this complaint. Advantage Insurance Company Limited should:

- remove any record of it cancelling Miss D's policy and write to confirm this; and
- pay Miss D £250 for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 30 May 2024.

Mike Waldron  
**Ombudsman**