

The complaint

Miss C complains about Highway Insurance Company Limited (“HIC”) and their decision to charge her an additional premium, based on her driving score calculated by the telematics box she installed as part of the terms of her policy.

Miss C has been represented by Mrs I during the complaint process. For ease of reference, I will refer to any comments made, or actions taken, by Mrs I as though they were made by Miss C throughout the decision.

What happened

On 14 December 2022, Miss C purchased a motor insurance policy underwritten by HIC. A requirement of this policy was to self-install a telematics device to Miss C’s car, so her driving behaviours could be monitored and scored.

On 30 December 2022, HIC wrote to Miss C explaining a review of her driving behaviours would be undertaken with the next 2 weeks. And, based on her current scores, an additional premium may be payable. On 15 January 2023, HIC wrote to Miss C again explaining they would be charging an additional premium of £299.44, based on Miss C’s overall driving score. This payment was taken, but Miss C was unhappy about this, so she raised a complaint.

Miss C didn’t think the driving data used to calculate her score was correct, as the rest of her driving behaviours bar her acceleration were showing as good or above. So, she felt the acceleration data was likely incorrect. And she didn’t think HIC had done enough to check the telematics device was working as it should, and that the data it provided was accurate. So, she wanted the additional premium to be refunded to her, and further inspections to take place on the telematics device she had installed.

HIC responded to the complaint and didn’t uphold it. They thought they had increased Miss C’s premium fairly, in line with the terms of the policy she held. And they didn’t think there was any evidence to show the telematics data being provided were incorrect, based on their investigations which included returning to the telematics device provider. So, they didn’t think they needed to do anything more. Miss C remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld it. They weren’t persuaded from the evidence HIC provided that the device was recording data correctly, as they didn’t think HIC had provided them with information of the specific acceleration events.

So, they thought HIC should recalculate the premium charged to Miss C based on the information from 10 January and before, as she felt there was less variation up to this point, plus 8% simple interest if any refund was due based on this. They also thought HIC should pay Miss C £100 as they failed to provide her with information about her driver score, and how she could take steps to improve this.

Miss C accepted this recommendation. But HIC didn’t. They explained they had provided the

raw data provided from the telematics device. And they didn't think this data showed the device was recording incorrectly, or that there were any anomalies that suggested there was an issue with installation. So, the complaint was passed to me for a decision.

I issued a provisional decision on 11 December 2023 where I explained my intention not to uphold the complaint. In that decision I said:

"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, it's my intention to not uphold the complaint. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the disappointment I understand this provisional decision will most likely create for Miss C. I want to make it clear that I've reviewed the raw data provided by HIC, alongside the telematics data Miss C is able to see from her account with HIC. And from this, I can understand why Miss C would dispute the validity of the acceleration data, as I do think it differs significantly from the other scores provided regarding the speed she travels, the time she travels, and her braking.

But crucially, this disparity doesn't automatically mean the data is incorrect. Nor does it mean HIC have acted unfairly when charging the additional premium. I want to make it clear it's not my role, or the role of our service, to interpret the data provided by the device and decide what I think a fair driving score should've been, as we don't have the expertise to do so. Instead, it's my role to consider the actions HIC have taken against the evidence available to them at the time, to think about whether they've acted fairly and in line with the policy terms. And while this will no doubt be upsetting to Miss C, I think they have here.

From the evidence I've seen, including the comments provided by both parties, I think it's accepted by both sides that the telematics device has most likely recorded all other data correctly, other than the acceleration. From what I've seen, Miss C scored highly regarding her speed against the speed limit, and the time of day she drove. And that her braking score remained good, with slight fluctuations. This means her overall score remained rated as "good" overall.

But I've seen Miss C's acceleration scores decreased rapidly from the start of January onwards. And that from the middle of January, the score remained at 0 for the majority of the time. As this clearly deviated from Miss C's performance on the other scores, I can understand why she may question this.

But having considered the raw data, I've seen that while the rating did increase as an overall trend, there were times between 1 January – 15 January where it increased on different journeys on different days. And although by 10 January it was producing an overall score over 0, I can see on 18 January it did increase to just under 2, before falling to 0 again.

Had there been a technical malfunction, I wouldn't have expected the score to decrease gradually. Nor would I expect the score to increase from 0, once a 0 score had been reached.

And HIC have confirmed the telematics provider themselves have confirmed there were no anomalies showing, and that had there been a significant impact to the device, or it had

been installed incorrectly, this would've been noted and highlighted. I note Miss C herself has confirmed the device was self-installed in line with the instructions provided.

And I think it's reasonable for me to assume it was, considering the other data that has been recorded appears to be accurate and not in dispute. Had there been an issue with the installation of the device, or a technical malfunction, I think it's reasonable for me to assume, on the balance of probabilities, that the other data being recorded would also have been impaired. And it doesn't appear to be the case here.

So, because of the above, I don't think I'm able to say HIC have acted unfairly when relying on the data the telematics device provided. And HIC have provided me their underwriting criteria and calculations which explain how the premium increase was applied, which I'm satisfied was within the criteria they set. These criteria itself is commercially sensitive and so, I'm unable to share the specifics of it.

I note the policy terms and conditions also make it reasonably clear that HIC "may adjust your premium on a monthly basis during the policy term to reflect how you are driving. This may result in either a reduction or an additional charge. We will keep you informed of how you are driving by displaying your driving score on your customer dashboard." So, I do think they acted in line with the policy terms when charging Miss C an additional premium. And because of all the above, based on the evidence I've seen that was available to HIC at the time, I don't think I'm able to say, based on the balance of probabilities, that it was unfair for them to do so. So, it's my intention to decide that they don't need to do anything more.

I appreciate this differs from the original recommendation of our investigator. And I note our investigator recommended HIC pay Miss C for not giving her more information about her score. But I wouldn't expect them to provide in-depth telematics data, as this and the algorithms they use are commercially sensitive. As part of this complaint, Miss C has provided screenshots of what appears to be the dashboard, which shows her acceleration as the main reasoning for her lower score. So, I think it was reasonably clear to Miss C that the way she accelerated may need to be changed to improve her score, as well as the way she braked. So, I don't think I can agree that HIC have failed to provide Miss C with a reasonable level of information.

And again, I want to reassure Miss C I do understand, and have carefully considered, why she would look at the acceleration as a clear outlier in driving behaviour. And, why she would dispute this. But as I've already explained above, I would expect the other data recorded to also be impaired if the telematics device was faulty. And I don't think I've seen anything to show it has been.

And while I do appreciate why Miss C may feel HIC should've physically inspected the telematics device, I don't think this was necessary on this occasion as Miss C confirmed it had been installed as advised and photos were sent and considered by HIC, which they didn't think showed any issue with the installation. And even if there had been, I think HIC reaffirmed what Miss C needed to do to ensure it was installed correctly in March, and from the data I've seen the acceleration scores continued to score at 0 the majority of the time.

Finally, I do appreciate why Miss C may feel the acceleration scored contrasts significantly to her score for speed, which she feels is contradictory. But crucially, acceleration and speed are two different measures. Miss C's speed score is calculated on the speed she travels on a road, compared to the speed limit. So, I think it's plausible that Miss C could score well for this aspect of the data, but still score low for acceleration if she accelerated quickly to reach a road's speed limit.

So, because of the all the above, from the evidence available to me, I don't think I'm able to say on the balance of probabilities that HIC acted unfairly, or outside of the terms of the policy, when applying an additional premium to Miss C's policy. And because of this, it's my intention to decide that HIC don't need to take any further action on this occasion."

Responses

Neither party responded to my provisional decision within the timeframe that was set. So, I will assume that neither party had any further comments to make, or information to provide.

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 see no reason to change my initial conclusions. With no further information or comments to consider, my decision remains that same as the one outlined above explaining that, based on the evidence available to me, I don't think I'm able to say HIC acted unfairly or outside the terms of the policy when applying an additional premium. And because of this, I don't think HIC needed to do anything more.

My final decision

For the reasons outlined above, I don't uphold Miss C's complaint about Highway Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 7 February 2024.

Josh Haskey
Ombudsman