

## **The complaint**

Mr G complains that Advantage Insurance Company Limited (“Advantage”) cancelled his policy without telling him. Mr G is represented in this complaint, but for ease I’ll refer to him throughout.

## **What happened**

Mr G had a car insurance policy with Advantage. The policy required the fitment and use of a telematics device (known as a black box) and an associated app.

The device was fitted to Mr G’s car and was apparently used normally from April 2022.

Mr G was stopped by the police in early March 2023 when they noticed his car wasn’t insured. His car was impounded, he was fined and his licence endorsed.

He searched his email and found two unread emails in his junk folder both saying that his black box wasn’t sending data to Advantage. The second of those told him that his policy would be cancelled.

Shortly after, letters confirming that the policy had been cancelled arrived for both Mr G and another named driver on the policy.

Mr G complained. He asks that Advantage contribute towards his fine, the costs of getting the car released from the compound and future costs. He asks that the policy is reinstated.

Advantage didn’t think it’d done anything wrong. It had used email to contact Mr G and said he would have had warnings if he’d been logged into the device’s app. It did say that a text message system was out of use at the time this occurred. Advantage did agree that one of its complaint handlers had used an inappropriate tone with Mr G’s representative and it paid £50 compensation for this.

Mr G remained unhappy and brought his complaint to this service. Our investigator looked into it and thought it wouldn’t be upheld. She thought Advantage had reasonably tried to get in contact with Mr G.

Mr G didn’t agree with the view and asked that his complaint was reviewed by an ombudsman, so it has been passed to me to make a final decision.

## **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 G has written to this service about the hardships he’s faced, and continues to face, due to the cancellation of his insurance policy. I can understand his frustration about the cancellation and the shock of what happened.

I’ve said above that the policy he bought is one that requires the use of a black box device.

In various parts of the policy terms and conditions it says:

*“You will need to ensure that you use the app and your [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.”*

*“It’s a condition of your policy to share your driving data with us through the [app] and [device]...”*

Mr G had bought a telematics policy and it’s normal that these policies have a requirement to provide data to an insurer. This information is also included in the ‘Welcome’ letter.

Advantage says it uses the black box and app to allow it to charge more competitive premiums. If a policyholder doesn’t use them then it can cancel the policy:

*“We and your insurer can cancel your policy at any time by sending you seven days’ written notice to the last postal or email address on our system, stating why the policy has been cancelled.*

*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.”*

Mr G set up and used the app from April to September 2022. But then he stopped sending data to Advantage.

Advantage later said it didn’t check with Mr G earlier about this because it was happy with Mr G’s driving record at that point. It said Mr G effectively had the benefit of a policy from September to February without it monitoring his driving performance.

Mr G corresponded in some depth with Advantage and this service about the events and conversations after the cancellation had happened. He was involved in some detailed phone calls with Advantage about what had happened. He has given Advantage very good feedback about its processes, policy wording and complaints procedures.

I’ve looked at the policy wording and I think it’s clear Mr G’s policy was one that required him to use the black box device and the app. If he didn’t do this, Advantage were allowed to cancel his policy under its terms and conditions.

We think it’s good industry practice for Advantage to use the means of communication that reflects their customer’s communication preference to warn them about the cancellation and to confirm the policy has been cancelled.

If they don’t have a communication preference, it would be appropriate for the insurer to use the same means of communication as they have used previously with the customer.

However, owing to the implications of having a policy cancelled and the risk of not receiving the cancellation letter, we also think it’s good industry practice for an insurer to use two means of communication.

Advantage did this by communicating to Mr G by email and through the app. I know Mr G was apparently logged out of the app when Advantage contacted him, but as it’s a requirement of the policy to use the app I also think it’s fair Advantage tried to use that

method to reach him.

Mr G has said Advantage should have used other methods of contact him. But, while this may be good customer service, I think it was reasonable for Advantage to rely on Mr G's established contact preference.

So I think Advantage's actions were fair and in line with the terms of its policy and it reasonably tried to contact him to tell him about the problems it was having with his device and app, and that it was going to cancel his policy.

I understand Mr G didn't realise the significance of the communications he was getting from Advantage and this had significant consequences on him. However, for the reasons stated above, I don't think Advantage acted unreasonably when it cancelled his policy.

### **My final decision**

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 November 2023.

Richard Sowden  
**Ombudsman**