

The complaint

Mr G complains that Skyfire Insurance Company Limited wanted to cancel his telematics motor insurance policy as it said his mobile phone had been used whilst he was driving.

What happened

Skyfire told Mr G that his telematics device could detect if his mobile phone was being used in his car. It told Mr G that it had detected phone usage and warned him of possible cancellation. Mr G thought this was unfair as a passenger had been using the phone.

Then Skyfire said Mr G or additional drivers were continuing to use a phone whilst driving. But Mr G said this was whilst the car was being taken for a test drive and whilst his policy had been suspended. He said he wasn't then insured to drive the car and the driver was using his own insurance. Mr G then cancelled the policy to avoid having a cancellation on his record.

Our Investigator didn't recommend that the complaint should be upheld. He thought the policy stated that neither Mr G nor his passengers could use his phone whilst driving. He thought there was evidence that Mr G's phone had been used whilst the car was being driven. And so he thought it was fair and reasonable for Skyfire to notify him that it would cancel the policy. He didn't see evidence that the policy wasn't live when the car was being test-driven.

Mr G asked for an Ombudsman's review, so his complaint has come to me for 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.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

Mr G's policy requires him to have an App on his smart phone to collect driving data. I can see that in Mr G's policy booklet it states on page 9 under Driving Data Terms and Conditions:

"You must not use your phone or allow any passengers to use your phone while you are driving. To do so can affect your driving score and your insurer will not provide cover for any person driving the car while using a mobile phone at the time of an incident."

And on page 42 under Phone Distraction:

"Do not give your phone to passengers while you are driving as this can affect your driving score, because the... App detects when your phone is being used while your car is being driven. If the... App detects that you are using your phone excessively while your car is being driven, your insurer will have the right to cancel your policy."

Mr G said his passengers were using his phone. But this isn't permitted by the policy's terms and conditions. Mr G also said that he'd used the phone whilst an additional driver was driving. Mr G amended his record to state that he was a passenger, but only after he'd received a warning from Skyfire. Skyfire then sent Mr G a final warning about phone distraction.

And when Skyfire detected the phone use a further time, it then said it would cancel the policy. Mr G said the car was being test-driven at the time and the policy had been cancelled the day beforehand. But I can see from Skyfire's records and the letters that Mr G received that the policy was then still live.

Mr G also said the policy had been temporarily suspended whilst he sold his car. But Skyfire confirmed that it doesn't provide this. So I'm satisfied that the policy was active, and Mr G's mobile phone was in use during the test drive, contrary to the policy's requirements.

So I'm satisfied that Skyfire acted within the policy's terms and conditions and fairly and reasonably when it said it would cancel Mr G's policy. And so I can't say that it did anything wrong in this. As it was, Mr G cancelled the policy himself so that he wouldn't have to declare the cancellation to future insurers.

My final decision

For the reasons given above, my final decision is 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 December 2023.

Phillip Berechree
Ombudsman