

The complaint

Mr H complains about how Advantage Company Limited (“Advantage”) cancelled his policy which used a telematics device and an app to gather data about his driving.

What happened

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

He took the policy out in late March 2023. Advantage told him it would send him the device for him to fit, and then he had to pair it with an app and check it was sending data. Mr H said the device arrived on 5 April.

On 5 April Advantage wrote to Mr H and told him that the device had to be sending data to it before 12 April or his policy would be cancelled.

Mr A fitted the device to his car and checked Advantage’s logo was on the app. But he didn’t check any further. He was undergoing medical procedures at the time and didn’t check again.

Advantage didn’t get any data. It cancelled his policy and emailed him to tell him.

Mr H then had to get insurance elsewhere at short notice. This cost him an additional premium of about £130 and he complained to Advantage. It charged Mr H for his time on risk but refunded the rest of his premium in accordance with its terms. It also paid him £30 compensation for poor service and gave feedback to a call handler.

Mr H remained unhappy and brought his complaint to this service. He asks for the increase in premium he had to pay, plus compensation of £100. Our investigator looked into it and thought it wouldn’t be upheld. She thought Advantage had reasonably exercised its right to cancel and Mr H hadn’t told it about his issues.

Mr H 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.

I’ve read the details of Mr H’s health issues around the time he took out the policy. I’d like to extend my best wishes to him.

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"

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 may give you seven days' notice of cancellation

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 haven't attached your device and paired it with the app within 13 days of your policy's start date."*

Mr H hadn't paired the app with his phone, or he hadn't completed the pairing, so data hadn't been sent to Advantage.

I think it's clear from the policy information that Mr H'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. I think this is fair.

Mr H had told this service about his health issues and that, at the time he received the black box, he was in the process of going to hospital for a procedure. As I say above, I'm sorry to hear about his problems, but I can't say Advantage has acted unfairly in what it did.

I can't reasonably see that Advantage knew about Mr H's medical procedure. It seems to have handled him the same as any other customer buying this type of policy. Mr H presumably knew when his procedure was due and I think it's fair I say he could have contacted Advantage and told it he was struggling with the device, or the app, or just needed more time to set it up.

I do understand Mr H's point of view that Advantage showed him zero customer service, but its terms and conditions are, I think, clear. Mr H was in possession of knowledge that could have meant Advantage was able to help him better, but I can't see that he shared that knowledge with it. So I can't fairly say Advantage was at fault for following its terms and conditions in cancelling his policy.

It follows that I don't think Advantage acted unfairly and I don't uphold this complaint.

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 H to accept or reject my decision before 2 January 2024.

Richard Sowden
Ombudsman