

The complaint

Mr C complains about Highway Insurance Company Limited's cancellation of his car insurance policy.

What happened

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

Mr C had a telematics (or black box) motor insurance policy underwritten by Highway, taken out in July 2023.

On 16 September 2023, Mr C received notification from Highway that his policy was to be cancelled (with effect from 23 September 2023) as a result of poor driving on 15 September 2023. They said he'd been speeding at 74mph in a 60mph speed limit zone and at 41mph in a 30mph zone.

Mr C asked Highway to reconsider their decision. And when they maintained that it was correct, he made a complaint to them. Mr C said the road layout and the overall time taken to complete the journey showed that the telematics data can't possibly have been correct.

Highway didn't uphold Mr C's complaint, but they did agree to waive an outstanding premium amount which was still payable.

Mr C wasn't happy with this and brought his complaint to us. Our investigator looked into it and didn't think Highway had done anything wrong.

Mr C disagreed and asked for a final decision from an ombudsman. He says as a result of Highway's cancellation of his policy he's had to sell his car and buy another that's cheaper to insure. And even then the cost is prohibitive as he's had to go to a specialist insurer to get cover.

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.

There's no real dispute here about what the policy terms say and how they are to be applied. The telematics box records data about the car's speed, location and journey times.

That data then generates messages to the driver. These might simply advise that poor driving has affected the driver's "score", which will affect future premiums. Or they might be one of three types of alert message.

Alert One messages tell the driver they have been speeding and their driving was unacceptable. Alert Two messages warn the driver of more serious speeding. If there are three Alert Two's in a 31-day period, the policy may be cancelled. Alert Three messages are sent in the most serious cases and may alone result in cancellation of the policy.

Those policy terms aren't inherently unfair or unreasonable. We'd expect that drivers should usually be given a chance to correct poor driving, having been given sufficient notice. But it's not unreasonable for an insurer to say that they'll cancel a policy without that chance being given to the driver if the infringement is serious.

In the just over two-month period between 10 July 2023, when he took out the policy, and 15 September 2023, when he made the journey which resulted in cancellation, Mr C received three Alert One messages. And he received sixteen messages to say his poor driving had affected his driving score.

We've seen the data from the telematics box on 15 September 2023. It clearly shows very serious speeding offences.

Mr C says the data can't be correct. He says he has a video of the other named driver on the policy taking the same journey, without speeding, and ending up at the same destination in less time than it took Mr C on 15 September 2023.

He says the road layout means he can't have travelled at the speeds alleged. And he says he received a notification from Highway a week or so prior to 15 September 2023, which advised drivers there had been an error with the telematics data.

We haven't been able to obtain a playable version of the video taken by Mr C. But I'm satisfied we can take Mr C's word for the fact that the same journey can be completed in the same – or less - time without going over the speed limit.

However, that has no bearing on how Mr C completed the journey on 23 September 2023. The telematics data shows periods well above the speed limit, but also times when Mr C is driving well below the speed limit.

I don't accept Mr C's point about the road layout. The road on which he's alleged to have travelled at 74mph has a 60mph speed limit and is relatively straight in most places. The speed limit would tend to indicate that cars can travel reasonably quickly on that stretch of road.

The message which Highway sent to drivers in the week or so prior to the cancellation referred to an error (quickly corrected) whereby speeds had been given in kph rather than mph. There's no suggestion it impacted Mr C's driving records or the data relating to the journey on 15 September 2023.

In summary, I don't think it's unfair or unreasonable for Highway to trust that the data they've relied on in this case is accurate. So, it's not unfair or unreasonable for them to cancel the policy. And their decision not to ask Mr C to pay outstanding premiums was generous.

I also note that in the week between the notice of cancellation being issued and the policy actually being cancelled, there were around 100 speeding infringements recorded against Mr C's car.

These include travelling at over 60 mph in a 30mph zone (on more than one occasion) and at over 80mph in a 60mph zone.

So, even if Highway accepted that the data from 15 September 2023 couldn't be relied upon and/or agreed to give Mr C the benefit of the doubt about that journey, his (or his named drivers') seemingly extremely dangerous driving in the week of 16-23 September 2023 would be more than sufficient to justify cancellation of the policy.

If Mr C (or his named driver) drove in that manner in a fit of pique about the cancellation of the policy, it's not unreasonable to regard that as even greater justification for Highway's decision not to continue to insure Mr C.

My final decision

For the reasons set out above, I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 March 2024.

Neil Marshall
Ombudsman