

The complaint

Mr S complains that U K Insurance Limited (UKI) cancelled his car insurance policy without telling him and he was then stopped by the Police for driving without insurance.

What happened

Mr S took out a car insurance policy with UKI on 20 September 2023 to start on 28 September 2023.

On 25 October 2023 Mr S was stopped by the Police for driving without insurance. UKI had cancelled Mr S' insurance policy on 19 October 2023. Mr S complained to UKI that the first time he was made aware his policy had been cancelled was when he was stopped by the Police, which he says has resulted in a fine and points on his driving licence.

UKI said that Mr S had taken out a telematics insurance policy which required him to install an app on his phone to monitor his driving. As Mr S hadn't installed this, UKI cancelled the policy, and they said they'd also warned him before doing so.

Mr S says he wasn't aware that he needed to download an app, and he hadn't been sent any documents from UKI, including any notice of cancellation. As Mr S remained unhappy with UKI's position, he approached the Financial Ombudsman Service.

One of our investigators looked into things but he didn't uphold Mr S' complaint. He said the policy documents and terms outlined Mr S needed to download an app, but he didn't, so our investigator said UKI fairly cancelled the policy because of this. The investigator also said UKI had sufficiently notified Mr S by post, and he couldn't hold UKI responsible if postal documents weren't received. And he said that Mr S' documents were also available online too.

Mr S didn't agree so the case was passed 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.

Whilst I appreciate it will come as a disappointment to Mr S, I've reached the same outcome as our investigator.

Mr S purchased his insurance policy online to start on 28 September 2023. UKI cancelled the policy on 19 October 2023 and Mr S was then stopped by the Police for driving without insurance on 25 October 2023.

The type of policy Mr S purchased was a telematics policy, this meant UKI monitored driving in order to calculate policy premiums. As part of taking out this type of policy, there was a requirement for Mr S to download an app to enable UKI to be able to monitor his driving.

However, as the app wasn't downloaded by Mr S, ultimately UKI cancelled the policy. I've considered firstly whether UKI made Mr S aware he needed to download an app. And secondly, whether UKI fairly cancelled the policy and brought this to Mr S' attention.

The policy

Mr S purchased his policy online without involvement from an agent of UKI. He selected the type of policy he wanted with UKI, and this was a telematics policy. The online information explained what this meant. The welcome email sent to Mr S at the time of policy purchase confirmed:

"PS – don't forget to download..."

Our DriveXpert app

You've agreed to use our DriveXpert app as part of your policy. After you've downloaded the App and registered, you'll be ready to start recording your journeys"

Therefore, this outlined that for the type of policy Mr S had chosen and purchased, there was a requirement to download an app. And the welcome email also contained the links to download the app from the relevant app store depending on phone brand.

The email also outlined that the full policy documents would be sent via the post, and in the interim, Mr S could access these in his online account. And UKI has confirmed the online account was activated by Mr S after purchase and shown this was accessed by Mr S. The welcome email also gave Mr S the option to contact UKI to go paperless, and have communication online, rather than via the post. But from my understanding, Mr S didn't make any contact with UKI after purchase.

I think this email, and information provided online when purchasing the cover, sufficiently highlighted to Mr S that an app download was required for the type of policy he'd purchased, and his documents were available online after purchase which further detailed this, and it was confirmed a postal copy would also be sent too.

The policy documents and terms and conditions available online and sent by post explained:

"You'll need to follow the instructions, download our DriveXpert app from your app store and start using the app to track your journeys.

You'll be able to use the app to see how you've driven and get your driving score. If you don't use it, we reserve the right to cancel your policy. This may affect your ability to purchase insurance in the future"

And they also explained what DriveXpert is:

“What is DriveXpert?”

DriveXpert is our telematics insurance product, it's designed to capture how, when and where your car is driven, based on driver-monitoring technology. We use it to understand your driving style and give you feedback. This means we can base your premium on your driving record.”

I recognise Mr S says he didn't receive the documents via the post. However, I'm satisfied UKI has shown these were sent, so I can't hold them responsible if they weren't received. And given Mr S took out his policy on 20 September 2023, and the email he was sent at the time said he'd be sent postal documents, if they weren't received, then Mr S could have contacted UKI to ask for them to be resent if he hadn't received them. But from my understanding he didn't contact UKI after policy purchase.

But, in any event, the documents were also available to Mr S in his online account in the interim, and UKI confirmed the online account was activated and accessed by Mr S, so he could have reviewed these. And the email itself also confirmed he needed to download the app, even without looking at the full documents. Therefore, I'm satisfied it was sufficiently brought to Mr S' attention that he needed to download an app for his policy, he was provided documents which also outlined this, and the documents could also be accessed online.

Was the policy cancelled fairly?

Mr S' documents (available online even if they weren't received by post) explained:

“We can cancel the policy at any time if we have a valid reason. If we have to do this, we'll give you at least 7 days' notice. We'll send our cancellation notice to the latest address we have for you.”

As it was a requirement of the policy to have an app installed, and Mr S didn't do this, I don't think UKI acted unfairly by cancelling the policy.

Did UKI notify Mr S of the cancellation?

Mr S says UKI didn't tell him his policy would be, or later was, cancelled. However, UKI has provided copies of the letters they sent to Mr S, and I'm persuaded they have demonstrated they were sent. The terms of cancellation also say that the notice would be sent to the address they hold, and this was confirmed as the correct address for Mr S by UKI.

Mr S was sent a letter on 5 October 2023. This said:

“We're cancelling your car insurance for your (vehicle make, model and registration) because you haven't activated the DriveXpert App that was agreed as part of your policy”

The letter outlined the policy would be cancelled at 23:59 on 19 October 2023. It also said:

“How to stop your cancellation

If you don't want your car insurance to be cancelled, it's not too late. Please activate your DriveXpert App and call us to confirm everything is okay before 19 October 2023.”

Mr S says he didn't receive this letter, but I'm satisfied UKI has demonstrated it was sent so I can't hold them responsible if it wasn't received. As UKI didn't hear from Mr S, and he didn't download the app, the policy was cancelled at 23.59 on 19 October 2023. Mr S was sent a letter the following day which outlined:

"We've cancelled your car insurance for your (vehicle make, model and registration) because you haven't activated the DriveXpert that was agreed as part of your policy."

Mr S says he didn't receive this letter either. However, I'm satisfied UKI has demonstrated it was sent, so I can't hold them responsible if it wasn't received. I'm satisfied UKI gave Mr S reasonable warning that his policy could be cancelled, along with confirming when it had been. The cancellation letter also said that a premium refund of £1,559.27 would be made within five working days. It's my understanding that Mr S also didn't notice the policy refund applied to his bank account either.

Having taken everything into account, I'm not persuaded UKI has done anything wrong or acted unfairly here. Mr S purchased a car insurance policy which required him to download an app, but he didn't. This was outlined on the welcome email he was sent, which had links to all his documents and online account, which he activated and accessed. Documents were also sent to Mr S after the sale, along with a warning of cancellation, and to confirm cancellation, and I can't hold UKI responsible if they weren't received.

Although Mr S says he wasn't sent any postal documents by UKI following purchase (although he could also access them from the email he was sent and he activated his online account and accessed it), he also didn't contact UKI to query this in the following month before his policy was then cancelled and he was stopped by the Police.

Having taken everything into account, I don't think UKI has acted unfairly so I'm not directing them to do anything further.

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 S to accept or reject my decision before 20 May 2024.

Callum Milne
Ombudsman