

The complaint

Mr D is unhappy with the service provided by Highway Insurance Company Limited (Highway) when dealing with a claim under his motor insurance policy.

Highway is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. Highway has accepted it is accountable for the actions of third parties instructed by it. In my decision, any reference to Highway includes the actions of any third party instructed.

What happened

Mr D took out a motor insurance policy underwritten by Highway. Mr D's policy included a telematics device which was used to record information about Mr D's driving behaviours. Mr D was charged additional premiums in April, May, and June 2023 because of changes to his driving score.

Mr D complained to Highway about the additional premiums charged, and lack of explanation about the reasons for this. Mr D was particularly concerned by his acceleration score reflecting as zero since June 2023. Highway asked Mr D to send images of the telematics device installation. In response to Mr D's complaint, Highway said that the charges had been applied in line with the terms and conditions of his policy.

Unhappy with Highway's response, Mr D referred his complaint to the Financial Ombudsman Service for investigation. Mr D said that the score of zero *'correlates with the fault in the engine, which had to go to a garage for a repair of the head gasket and cylinder head in late May. This has caused the engine to overheat, and according to the garage, it may well have been going on and getting increasingly worse over the same period... The failure also caused a spilling of oil, which could've potentially caused damage to the box'*.

The investigator said that the lack of change in the acceleration score could be a sign that the telematics device wasn't correctly recording. The investigator asked Highway to recalculate the additional premium, and pay interest on this amount. The investigator also asked Highway to pay Mr D £100 in recognition of its poor service in failing to respond to Mr D's questions in a timely way in June 2023.

Mr D accepted the investigator's findings. Highway didn't accept the investigator's findings, saying:

- *Acceleration has been low pretty much the entirety of the policy -even before the car went into the garage.*
- *The device is not linked to the engine in any way – it is attached to the battery – so engine issues would not affect it.*
- *[It has] not seen any report from the garage or any evidence to support [the engine]*
- *was damaged by oil. [The telematics device] would have gone into anomaly and none are present'.*

As the complaint couldn't be resolved it has been passed to me for decision.

I issued a provisional decision on Mr D's complaint. This is what I said about what I'd 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'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that's been provided.

Telematics device recordings

The terms and conditions of Mr D's policy explained:

We may adjust your premium on a monthly basis during the policy term to reflect how you are driving. This may result in either a reduction or an additional charge. We will keep you informed of how you are driving by displaying your driving score on your customer dashboard or app if you have a windscreen mounted device. This will be updated daily and you will receive alerts if your premium is due to change. The driving score relates to your car and not to you specifically if other people have been driving your car. If other drivers use your car, their driving behaviours could affect your premium

I am satisfied the policy allowed Highway to make changes to the cost of the policy during its term, based on Mr D's driving score. I've considered whether it has acted fairly by doing so here. Highway has provided the data from the telematics device in Mr D's car. I note that the main point of dispute in this complaint is the acceleration score. Mr D feels strongly that the fact that the acceleration score has remained zero since June 2023 indicates that there must be a fault with the telematics device.

I have seen that Mr D's acceleration score gradually reduced from the start of the policy in January 2023. This change happened very early on in the policy. By mid-February 2023 Mr D's acceleration score had decreased to only 58 out of a possible 100. I've seen that Mr D's acceleration score didn't recover, and continued to decline until reaching zero in June 2023. It remained zero until the end of the policy term in December 2023.

I've carefully considered what Mr D has explained about the problems with his car engine, and the timing of this potentially impacting the telematics device, and recordings. But despite Mr D's assertions, I've not seen any evidence to support what Mr D has said about the correlation between the damage to his car engine, and the functionality of the telematics device. The evidence I have seen supports that it's more likely than not that the telematics device was operating as it should be. I'll explain why.

The raw data provided by Highway includes data for individual journeys, and a rolling average. This data is commercially sensitive so I can't share it. But having reviewed this information, I'm satisfied it represents the data that would've informed the information shared with Mr D via his online dashboard. I'm satisfied this data fairly and accurately represents Mr D's driving behaviour score for the duration of his policy.

I accept that the driving score for acceleration dropped to zero in June 2023, and didn't recover during the remainder of the policy term. I can appreciate how this would cause alarm and concern. But I don't think this in itself means that the telematics device wasn't working as it should be. It's evident that there were fluctuations to other scores such as braking, and speeding. The fact that the scores for 'speeding' 'braking' and 'night-time' did experience

change, persuades me that it's more likely than not that the telematics device was accurately recording data as it should be.

Although Mr D's overall score remained at a level which allowed the policy to continue, it is evident that the overall score remained close to being 'poor' for the duration of the policy from June 2023 until the policy end date. The overall score fluctuated between 41 and 44 between the period June- December 2023 (with a score below 40 being classed as 'poor'). Although there were some slight upward fluctuations, I've seen the score for 'speeding' and 'braking' also experienced a mostly downward trajectory during the policy term. This also persuades me that the telematics device was likely recording correctly.

Highway sent Mr D regular updates about his driving score. At the start of the policy, Mr D received a credit to his account due to his driving behaviour score. But in subsequent months, because Mr D's driving behaviour score dropped and didn't improve, the premiums increased. This is in line with what Mr D was told would happen when he took out his policy. So I can't say Highway has been unfair, or acted outside of the policy terms.

Mr D has provided a detailed testimony about the impact on him as a result of the increased premiums charged for his policy. I accept this situation has clearly left Mr D feeling stressed, and financially out of pocket. But I can't ask Highway to change the amount Mr D should pay for his monthly premiums, given the evidence that's been provided, and the policy terms I've seen. I haven't seen any evidence to persuade me that Highway's actions have been wrong, or unfair. So I won't be asking Highway to do anything in settlement of this complaint.

Customer service

Mr D sought clarification from Highway in early June 2023 about his concerns regarding the driving scores recorded. However it wasn't until almost three weeks later that Mr D received a response, asking him to send images of the telematics device installation. Highway apologised for this delay in communication. The investigator recommended Highway pay Mr D £100 compensation in recognition of the impact on Mr D because of this poor service.

I've considered what's happened, and the impact on Mr D. I accept that it would've been frustrating for Mr D to have waited for a response from Highway. And by the time it did respond, Mr D had already given his car for repair to a garage. So it made it more inconvenient for Mr D to send the requested images. However Mr D did receive a response to his complaint in full in early July. This is within the usual eight weeks we'd expect a business to respond within.

Although I accept the inconvenience caused by Highway's delayed request to send images, I'm not persuaded the impact of this justifies compensation. Because even if this had been requested sooner, it would've made no material difference to the outcome of Mr D's complaint about the inaccurate recordings. And Mr D's concerns about the telematics device recordings were answered in detail in response to his complaint.

For the reasons explained I'm not minded to ask Highway to pay any compensation for this part of Mr D's complaint.

my provisional decision

For the reasons given above, I'm minded to say Highway doesn't need to do anything in settlement of Mr D's complaint.

The responses to my provisional decision

I invited both Mr D and Highway to respond to my provisional decision.

Highway didn't respond to the provisional decision. Mr D responded and rejected the provisional decision. Mr D explained his acceleration score resulted in a refund of premium for several months after the policy was taken out. Mr D says the drop in acceleration score coincided with issues with his car engine, and this likely impacted the telematics device. Mr D says *'It was found that there was believed to be fault with the head gasket and cylinder head and later the engine which was replaced. This will therefore affect the running of the car which in turn can impact the engine becoming overheated and affect the acceleration. A mechanic could confirm this.'* Mr D has provided evidence from the garage his car was repaired with as proof of the repairs carried out, and dates his car was with the garage.

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 D has questioned whether this service has *'proof of all readings for each month.'* It's not disputed that Mr D's driving behaviour resulted in him receiving a refund of his monthly premium during the early months of his policy. But I've also seen that during this time, Mr D's acceleration score began to fall. I'm satisfied the evidence provided by Admiral clearly supports this. This change happened gradually. But it's evident that although Mr D's overall score was positive, his acceleration score was experiencing a gradual decline.

I've also checked the data to determine whether any scores were recorded for the time during which Mr D has explained his car was in the garage. And I'm satisfied the data corresponds with what Mr D has explained about his car not being in use during this time. So although Mr D feels strongly that the data must in some way be inaccurate, the evidence I've seen appears doesn't support Mr D's concerns.

Mr D feels strongly that the fault with his car that impacted it from April 2023, also impacted *'the running of the car which in turn can impact the engine becoming overheated and affect the acceleration. A mechanic could confirm this.'* I've carefully considered the letter Mr D has provided from the garage where his car was taken for repairs. Although this letter confirms the issues with Mr D's car, and the period in which repairs took place, the letter doesn't provide any opinion on the link between the fault with Mr D's car, and the telematics device. Whilst Mr D has provided his opinion, I can't see that the garage has. So I don't agree that a mechanic has confirmed Mr D's opinion in the way that he has explained.

As it stands, neither party has provided anything which would lead me to depart from my provisional decision. It follows that my final decision remains the same as my provisional decision, and for the same reasons.

My final decision

For the reasons provided I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 May 2024.

Neeta Karelia
Ombudsman