

The complaint

Miss K complains that Advantage Insurance Company Limited unfairly cancelled her motor insurance policy.

Any reference to Advantage also includes the actions of its agents.

What happened

Miss K held a motor insurance policy which was underwritten by Advantage. Miss K's policy was provided on the basis she had a device installed which monitored her driving performance.

Miss K says she contacted Advantage, prior to her policy being cancelled, to raise concerns about the device and that it wasn't accurately recording her driving. She says rather than investigate this, Advantage unfairly cancelled her policy. But Advantage says Miss K's driving score fell below the minimum required score which is why it cancelled her policy.

One of our investigators considered Miss K's complaint about the policy cancellation. She said she hadn't seen any evidence to support the device wasn't functioning correctly and based on the driving scores recorded and the policy terms, it was fair for Advantage to cancel the policy. She also noted Advantage gave Miss K the opportunity to cancel the policy herself before it did so, but she elected not to.

A second investigator later considered Miss K's concerns with the level of customer service she received around the cancellation. This wasn't considered by the first investigator because Advantage had erroneously said Miss K hadn't raised those concerns directly, and so it hadn't had the opportunity to comment. But it later transpired she had, which is why an investigator went on to consider the customer service issues under this same complaint.

Our second investigator thought Advantage had done enough to explain how the driving device and app worked, even if some agents Miss K spoke with initially couldn't answer her questions. But she said Advantage had mis-managed Miss K's expectations around a manager call back, and that this resulted in Miss K making several unnecessary calls to Advantage which would have been frustrating. She also highlighted that Advantage had incorrectly said the customer service issues hadn't been reported when they had, which had caused delays in our consideration of the complaint. To put things right, our investigator said Advantage should pay Miss K £150 compensation for the impact of its service failings.

Advantage initially disagreed that compensation was due. But it subsequently said it would offer £50.

Our investigator maintained that £150 was fair. And in any event Miss K didn't accept our first investigator's conclusions around the policy cancellation. So, because no agreement was able to be reached, the complaint has been passed to me to decide.

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.

Having done so, while I appreciate it may come as a disappointment to Miss K, I agree with the combined conclusions of our investigators. I'll explain why, addressing the policy cancellation and customer service issues separately.

Policy cancellation

I understand Miss K raised concerns about the monitoring device and whether it was accurately recording her driving. She's argued that most of her drives were recorded as five stars, which she says supports that the lower scoring drives must be errors.

I've thought about Miss K's concerns here, but I'm afraid I don't agree that her record of mostly five-star trips is persuasive evidence that the device incorrectly recorded lower scoring drives. And I haven't seen any other supporting technical evidence which would persuade me that there was an issue with the device either.

Advantage has provided the device information from the relevant time, and this suggests that on 7 November 2023, 9 November 2023 and 15 November 2023 there were recording incidents of speeding, distraction (phone use) and phone calls being made, all of which would significantly impact the drive score, given the use of a phone and speeding while driving are illegal. The app also recorded instances of hard braking, turning and acceleration, which would also impact the drive score. And this information also corresponds to the screenshots I've seen from the drive score app. So, based on everything I've seen, I'm not persuaded the driving scores recorded were inaccurate or incorrect.

Miss K's policy booklet explains the terms of cover, including the minimum required drive score:

"We score your driving on a range of 0-100 and we show this clearly in the (redacted) app so you can see how you are doing. As part of the terms of this policy you are required to capture your driving data on every trip and keep your driving score above 30, failing which we have the right to cancel your policy. If this happens, you won't be charged a cancellation fee and you can cancel the policy yourself (see Score Cancellations section for more details)".

Because of the recorded incidents on 7 November 2023 and 9 November 2023, Advantage wrote to Miss K on 10 November 2023 to warn her she was getting close to the minimum level and to suggest ways she could improve her score. This letter also explained that if the score fell below the minimum, her policy would be cancelled. Then, on 17 November 2023, it wrote again to explain the score had fallen below the minimum (due to the incidents recorded on 15 November 2023) and so it would be cancelling her policy. This letter explained that Miss K had 20 days to find cover elsewhere and that she could cancel the policy herself to avoid needing to declare the policy cancellation to future insurers.

Based on the above, I'm satisfied Advantage took reasonable action to support Miss K to avoid her policy being cancelled. And that it acted in line with its terms and conditions when deciding the policy needed to be cancelled, by giving Miss K the option to cancel herself first. I'm mindful that Miss K's policy came with a lower premium on the basis her driving score stayed above the minimum. So, because it didn't, I consider it was fair and reasonable for Advantage to cancel her policy in line with the policy terms.

I know Miss K is now unhappy that her policy was cancelled by Advantage and that this has been recorded against her. But I'm satisfied this accurately reflects what happened, and I don't think Advantage did anything wrong in cancelling her policy directly, when she elected not to take up its offer to cancel the policy herself. So, I'll not be directing Advantage to take any action in respect of the policy cancellation or the way it's been recorded.

Customer service

Mrs K has also raised several concerns about the level of service she received from Advantage. She says she asked several questions about the drive score and how it was calculated but she didn't receive clear answers. She says she raised concerns about the device before her policy was cancelled, but this wasn't investigated. And she was promised a call back from a manager which she didn't receive, which led to her having to make multiple, unnecessary follow up calls.

I've listened to the relevant call recordings, and I agree there were instances where Miss K asked questions about the scoring device which the call handlers weren't able to answer. I don't think it's unreasonable for Miss K to expect the call handlers to be able to answer her questions, and so I can see why this would have been frustrating for her. But I do note that she was advised there was another team who dealt more closely with queries about the device and scoring, so I don't think it was the case that she couldn't get the information she wanted, just that those call handlers couldn't answer every question. I also note that some of the information Miss K was asking for, such as how the algorithm worked, would be commercially sensitive information that wouldn't be able to be shared with her in any event.

That said, it seems to me having listened to the calls that one of Miss K's main concerns was whether Advantage was seeing the same driving information she was seeing in her app. Advantage has since explained that there can be a slight delay in information uploading to the app, which would likely explain why Miss K was seeing positive driving information, despite poor drives having been recorded more recently, or vice versa. I think this is something which could, and should, have been explained to her more clearly during one of the many calls she made. Had better explanations been given to Miss K about this reporting lag at the outset, this might have avoided the complaint and/or meant she suffered from less worry and frustration about what she perceived to be an issue with the device.

Miss K raised a complaint about how her queries were being handled, and about the device. It's clear from the calls she wanted things to be dealt with quickly, but I can see it was clearly explained to her that Advantage had eight weeks in which to investigate and respond to a complaint – which is both correct and in line with the rules set out by the industry regulator – The Financial Conduct Authority.

I can see that the time lag was explained, and that Miss K's questions about how the scoring had been worked out, were answered in Advantage's final response to her complaint. And her policy document also gave information about how the device worked and what actions needed to be taken to avoid incorrect poor scores from being recorded. So, while I agree with Miss K that she wasn't able to get all the information she specifically requested immediately from the front-line call handlers, I think Advantage ultimately did enough to investigate her concerns and explain how the device worked and should be used.

I fully appreciate Miss K's strong feelings around her policy being cancelled based on her driving scores, when she had already raised concerns that there might have been issues with the device. But Advantage has explained that its complaints process is separate to its other processes, and so a complaint investigation wouldn't prevent the policy cancellation process from proceeding.

I can see why Miss K would be concerned with this. It creates a potential risk that if there had been an issue with her device, it would have meant her policy being cancelled in error before the issue was identified. But, as explained, in this case I'm not satisfied that there was an issue with the device or that Advantage was wrong to cancel her policy. And I can only look at the impact of what happened, rather than what might have happened.

I can see that Miss K was promised a call back from a manager during one of her calls, which she didn't receive. And this prompted her to make several follow up calls chasing the response. I think this was avoidable, and that it was caused by something Advantage did wrong. I also think Advantage caused avoidable delays to this complaint being able to be concluded, when it incorrectly told our investigator that Miss K hadn't made a complaint about customer service issues. Both of these issues would have understandably added to Miss K's distress and frustration with the overall situation.

I've thought carefully about the errors Advantage made here, and how they specifically impacted Miss K. Advantage says the impact of the errors would have been minimal. It says Miss K already had all the information she was asking for; she just didn't like the answers. It also says that had a manager called her back sooner, they would have given the same information as the earlier manager and call handlers did.

While I appreciate Miss K had the relevant information about her driving scores, and didn't accept they were accurate, I don't agree she already had all the information she had requested. As explained, I think someone ought to have been able to explain to her that there could be a delay between the information being recorded and uploaded, which could account for the discrepancy she was concerned about. And while I appreciate that she had already spoken with one manager at the point she was promised a call back, I don't think this changes or mitigates the frustration she experienced when the call back she was promised didn't materialise.

I think it's clear from the number of calls and emails Miss K made/sent that she was already very concerned and frustrated with the situation. And while I don't think Advantage is responsible for all of that concern or frustration, I think the lack of certain explanations during the calls and the failed call back and subsequent time Miss K had to waste chasing this both would have unreasonably compounded this. And when I couple this additional, and avoidable, distress and inconvenience with that caused by the delays Advantage caused when incorrectly stating Miss K hadn't raised concerns with the service she was receiving, I think the impact to Miss K was more than just minimal. So, in order to fairly compensate Miss K for the avoidable distress and inconvenience she has suffered, I think Advantage should pay her £150.

My final decision

For the reasons I've explained above, I uphold Miss K's complaint in part.

Advantage Insurance Company Limited must pay Miss K £150 compensation for the distress and inconvenience its customer service issues have caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 30 July 2024.

Adam Golding
Ombudsman