

Linda Karen Hadfield Lee
Acting Area Coroner for Coventry and Warwickshire
The Coroner's Office Coventry and Warwickshire

9 January 2026


Dear Linda Karen Hadfield Lee,

Thank you for your email of 18 December 2025 containing your report highlighting your concerns following the two tragic deaths of teenagers in a road traffic collision. We offer our condolences to the affected families. We recognise the seriousness of the circumstances leading to these tragic deaths and provide our considered response below.

FCA's role

The Financial Conduct Authority (FCA) regulates financial businesses – including insurers and insurance intermediaries, under powers granted by the Financial Services and Markets Act 2000.

Our role is to ensure that markets function well, including protecting consumers and promoting effective competition in the interests of consumers. We set and enforce standards in insurance for product governance, pricing practices, and transparency, so that insurance products provide fair value and firms deliver good outcomes for customers in line with their Consumer Duty obligations (the Duty).

As we are not the competent authority for matters concerning driver or road safety, we cannot direct insurers in these areas, such as requiring specific product features or mandating the use of telematics. Those decisions sit with the Government through primary legislation.

Motor insurance and the role of telematics

Motor insurance provides financial protection for motorists against loss or damage, and to indemnify other road users or members of the public for loss or damage for which they are liable. The core purpose of insurance is to manage financial risk, not to prevent accidents.

Telematics motor insurance policies – sometimes referred to as “black box” insurance – use technology to monitor driving behaviour and usage patterns. This enables insurers to offer premiums to policyholders based on actual risk rather than using demographic averages. There can be important wider benefits from telematics where it leads to more careful driving and fewer accidents, including those resulting in death or injury.

Recent data from Mintel shows that telematics-based policies account for around 14% of all UK motor insurance policies. In addition, the Government’s [analysis](#) within the Motor Insurance Taskforce Report published in December 2025, highlights that although drivers may be aware of the benefits of telematics policies, uptake remains low.

It is also possible to include named drivers in telematics policies and the named driver’s driving behaviour is likely to impact the premiums of the main policyholder. We expect insurers to ensure any key product features and limitations are clearly explained so that customers understand these, including how their driving data from telematics could impact their premiums.

Mandating telematics for all new young drivers (including new young named drivers) could have a material effect on pricing of motor insurance, potentially restricting consumer choice. It could, for example, disadvantage those without compatible technology or those financially constrained, making insurance unaffordable for some, and potentially increasing uninsured driving. Any consideration of the desirability or otherwise of making telematics mandatory for the purposes of reducing accidents and/or improving driving standards falls outside our remit.

Fronting

We also take the opportunity to comment on the practice of ‘fronting’ mentioned in your report, albeit noting that it did not apply in this case. ‘Fronting’ is the practice of naming a person as main driver for the purpose of obtaining a lower premium, on behalf of a different person (usually a young driver). A person knowingly obtaining insurance on this basis is committing a fraud which, if discovered, can lead to serious penalties. The Insurance Fraud Bureau, an industry-funded body, works with the police and insurance industry to combat this and other fraudulent practices.

Next steps

We have carefully considered the matters raised in your report. While we cannot act beyond our statutory remit, we remain committed to ensuring that firms meet the highest standards under our existing rules. We continue to encourage effective and appropriate use of telematics data in the insurance sector.

Yours sincerely,



Director, Competition and Interim Director, Insurance