

The complaint

Mr K's complained about mistakes made by Be Wiser Insurance Services Ltd ("Be Wiser") which led to his motor insurance policy being cancelled.

What happened

Mr K says he searched for motor insurance using a comparison website. Following that, he was cold-called by Be Wiser. After speaking to Be Wiser, Mr K decided to buy motor insurance from them for him and his wife.

After he'd bought the policy, Be Wiser contacted Mr K. They said the underwriter had asked for a number of documents to validate the information Mr K had given Be Wiser when he bought his policy. Mr K sent Be Wiser what they'd asked for.

But Be Wiser failed to pass the information onto the underwriter. And – as they'd not received what they'd asked for – the underwriter instructed Be Wiser to write to Mr K and warn him that they'd cancel his policy if he didn't provide the information within the following seven days. Be Wiser wrote to Mr K, but had no reply to that letter. So Mr K's policy was cancelled. Be Wiser emailed him to tell him this had happened

Mr K was on holiday abroad when he got Be Wiser's email. So that made it difficult for him to organise alternative cover. And the worry of what had happened impacted on his and his wife's enjoyment of their holiday.

Mr K complained to Be Wiser. Be Wiser investigated his complaint. They concluded that they'd made an administrative error when they sent Mr K the cancellation warning letter because he'd already sent them everything they'd asked for.

When cancelling the policy Be Wiser processed a refund of £91.06 for the unused period of insurance. Later, to compensate Mr K, they waived all their charges in relation to the policy – which came to £162.69.

Mr K wasn't satisfied with this outcome and brought his complaint to us. He told us that Be Wiser had never told him he'd have to provide a lot of paperwork. And he thought Be Wiser should compensate him for the trouble and stress the mistake had caused him and his wife during their holiday.

Our investigator considered the evidence. He said that Be Wiser couldn't be held responsible for the information requests that had been made as these had come from the underwriter. And he noted that Be Wiser had accepted they'd made an error which had led to the policy being cancelled.

But he didn't think that Mr K had been compensated for the trouble and upset the cancellation had caused him. He thought Be Wiser should pay Mr K £150 compensation for this – in addition to the refund they'd already made.

Be Wiser didn't agree with the investigator's view. They thought refunding Mr K their charges was enough to compensate him. So I've been asked to make a 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.

Having done that, I'm upholding Mr K's complaint. I'll explain why.

There's no dispute that Mr K's policy was cancelled because Be Wiser made a mistake. What I've been asked to decide is the right level of redress for that error.

I don't agree with Be Wiser that the £162.69 refund they gave Mr K should be viewed as compensation. It was a charge applied by Be Wiser for its services in the provision of the insurance policy. And – because Be Wiser made a mistake – Mr K didn't get what he'd paid for.

So repaying Mr K that amount is simply putting him back in the position he was. It doesn't recognise that Mr K was worried when he found out he didn't have insurance. Nor does it recognise that, because he was abroad, it was more difficult to sort the problem out quickly and easily.

Putting things right

I think the worry and upset Be Wiser's mistake caused Mr K should be reflected by a payment of compensation. And I agree with our investigator that the right level of compensation to reflect the impact Be Wiser's error had on Mr K is £150.

My final decision

For the reasons I've given, I'm upholding Mr K's complaint about Be Wiser Insurance Services Limited and directing them to pay him £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 8 December 2020.

Helen Stacey
Ombudsman