

The complaint

Mr S complains about how i Go 4 Ltd trading as Wisedriving (“Wisedriving”) administered his motor insurance policy.

What happened

Mr S took out a motor insurance policy through a broker, Wisedriving, on 1 February 2022.

As part of his online application through an aggregator website, Mr S was asked a question about previous motor accidents, claims or losses over the previous five years.

Mr S didn’t tell Wisedriving about an incident he’d had during 2021 when his car was hit by a third party. No claim was made by Mr S and it was noted on his previous policy as “notification only”.

As part of its procedures, Wisedriving checked Mr S’s information with a database called Claims Underwriting Exchange (CUE). It found that Mr S had been involved in this previous incident, so Wisedriving added it to his policy. This increased his premium by £148.08, including Wisedriving’s administration fee of £35.

Wisedriving took the money from Mr S’s account. He wasn’t happy about this and he complained. Mr S was told by Wisedriving that if he could get the details of the incident from his previous insurer then it could reconsider its price and return the additional premium to him. Mr S’s previous insurer sent confirmation it was “notification only” but wasn’t able to remove details of the claim from CUE, so Wisedriving’s charges still applied.

Wisedriving said it’d acted fairly as it’d asked him a clear question when he’d bought the policy, and the insurer would use the information he’d given to provide the correct premium. Because Wisedriving had to amend Mr S’s policy after it’d already started, it charged the administration fee on top of the increased premium charged by the insurer.

Mr S’s complaint is only about the actions of Wisedriving as his broker.

Wisedriving said it would waive its administration fee as a gesture of goodwill.

Mr S remained unhappy and brought his complaint to this service. He is unhappy that Wisedriving lied to him twice about the situation, and he said it “promised” him he would get his money back. Mr S has said he was struggling financially at this time so this money was very important to him. He says he spent a long time on the phone trying to sort this out.

Our investigator looked into Mr S’s complaint and upheld it. He said he thought Wisedriving had made some mistakes when it’d discussed the situation with Mr S. These mistakes had caused Mr S come inconvenience, so he thought it was fair for Wisedriving to pay Mr S £40 compensation as well as waiving its £35 admin fee.

Wisedriving didn’t agree with the view. It said Mr S only had to send one email to his previous insurer, and then forward it on to Wisedriving. Wisedriving didn’t accept that the compensation of £40 was fair. Because Wisedriving didn’t agree, the complaint has been

passed to me to make 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.

Having done so, I'm going to uphold it and I'll explain why.

I've listened to the calls between Mr S and Wisedriving and I can understand why Mr S is unhappy about Wisedriving's service. He asks for confirmation about his requests and he seems to get that confirmation back from Wisedriving's call handlers, but I'm not convinced that they knew exactly what Mr S was asking for.

But I don't think that's Mr S's fault. It seems clear to me that he is trying to understand what he needs to get from his previous insurance company and asking what would then happen with the information, but Wisedriving seem to struggle to understand the implications of his questions.

Then, when Mr S provides the information he's been asked to get, Wisedriving isn't able to give him what he wants because of those earlier misunderstandings.

Mr S, like most consumers in insurance, buys his policy and probably interacts with an insurance company about once a year. It's Wisedriving's role as experts to guide Mr S through the process fairly, and in this case I don't think it has done that.

I can say that Mr S should have provided Wisedriving with the correct information about his "notification only" incident when he applied for the policy, in which case his premium would have been correct from the beginning and the "extra" amount would have already been paid by him. But the confusion that then arose was not due to Mr S's actions and I've said above I think Wisedriving should have done more.

I think it's fair of Wisedriving to waive its administration fee of £35, and I think £40 compensation is a reasonable level of compensation given the inconvenience caused to Mr S.

I can also see in the file that the underwriter of Mr S's policy has provided evidence of a lower premium increase than has been applied by Wisedriving.

I've said above that this complaint is only about Wisedriving's actions as a broker, but I'd expect that Wisedriving look carefully at this amount and refund his overpayment if this information is correct.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. I direct i Go 4 Ltd trading as Wisedriving to:

- Waive its administration fee of £35.
- Pay Mr S £40 for his distress and inconvenience arising from its poor service.

i Go 4 Ltd must pay the amount within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 December 2022.

Richard Sowden
Ombudsman