

## **The complaint**

Mr M complains that Wakam has failed to provide him with the correct refund on his motor insurance premium.

For ease, any reference to Wakam also includes its agents.

## **What happened**

Your text here

## **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 M took out a motor insurance policy to provide cover for his work as a minicab driver. The insurance was paid on a monthly basis. Although Mr M bought his insurance with the same provider since 2021, it was only underwritten by Wakam from April 2022. Before this date he had previously been involved in two car accidents where liability was being disputed and so he was told he should declare these as fault claims. Under this cover he says he had to provide weekly declarations and he continued to declare these as fault claims each week as required.

By January 2023, the first claim had been settled as a non-fault so Mr M told Wakam about this. He says Wakam refunded him £70 at that point, which he believed was in relation to his January 2023 premium, and then refunded another amount of £100 which he said he was told was the difference in premium since inception of the cover.

In July 2023, Mr M's second claim was also settled as non-fault. So, he again advised Wakam of this. He expected to receive a further refund on the premiums he had paid since the second claim, however, Wakam said he wasn't entitled to any refund. Mr M said Wakam told him this was due to the cost of living crisis but also that his no claims discount (NCD) had been incorrectly calculated during this time so he had been paying less.

Mr M complained to Wakam about this. Wakam said that it recalculated the premiums for the time Mr M has been declaring two fault claims. And the price for one fault and one non-fault claim came out as higher than what he had been paying. So Wakam said Mr M would have been required to pay a higher premium. But it said it wouldn't ask Mr M to pay the difference. And it also said that Mr M had been benefiting from declaring more NCD years than he was entitled to during this time and so it wouldn't provide any further refund.

Unhappy with this outcome, Mr M brought his complaint to this service. Our investigator looked into the matter and asked Wakam to provide information to support the reason for not providing any further refund. But Wakam didn't provide anything further. As Wakam hadn't provided any evidence to show that Mr M wasn't entitled to any more refund, our investigator upheld the complaint and recommended that Wakam pay Mr M £70 per month from the date the fault claim was registered on the policy until the date the policy ended. And Wakam

should pay 8% simple interest from the date Mr M told them about the claims being settled as non-fault. She also recommended that Wakam pay £100 compensation for the trouble and upset caused to Mr M for having to chase a fair outcome.

Wakam didn't respond to the investigator's outcome. As no agreement could be reached, the matter was passed to me to decide.

On 27 March 2024, I issued my provisional decision. In it I said the following:

*"When a complaint is made to this service, we invite both parties to submit any information or documentation which they think will assist us when considering the matter. It is important to point out at this stage that Wakam has not provided any information to this service, despite several requests from our investigator, apart from to say that all the details were available in the final response letter it provided. So, I've considered this matter based mainly on the details supplied by Mr M in support of his complaint.*

*As mentioned above, although Mr M's motor policy was through the same brand, it was only underwritten by Wakam from April 2022 and therefore this decision only relates to the time period for which Wakam provided the insurance coverage.*

*Mr M declared two accidents as fault claims (whilst liability was established) since his cover began with Wakam. He continued to declare this until January 2023, when the first claim was changed to non-fault.*

*Mr M has provided information to show that Wakam initially provided him with a refund of £70 which he believed was for the month of January 2023 premium. Following this he received another refund of £100 which he says was the difference in the premium from the date he had first taken out cover. He then advised that the second claim changed to a non-fault in July 2023 and at this point he didn't receive any further refunds.*

*The final response letter issued in August 2023 advised that two fault claims provided a lower price than one fault and one non-fault claim. However, Wakam has failed to provide any evidence to support this statement and to show that Mr M wouldn't have been entitled to a further refund. Wakam has stated that Mr M would have actually been charged an additional premium. But it has failed to provide evidence to substantiate this statement.*

*I've noted that the final response letter also states that the number of years of NCD changed throughout the period from January 2021 to July 2023. Wakam has said that Mr M has declared more NCD years than he was entitled to. So, the implication is that his premium payment was less than it should have been during this time. But once again, Wakam has failed to provide information to show that this is the case.*

*Our investigator recommended that Wakam pay Mr M £70 as a refund on the premium for each month he registered the claim as a fault claim until the date the policy ended, along with simple interest. I've thought about this carefully, however, I'm not persuaded that this is the right outcome. While Mr M received the amount of £70 in January 2023, I have nothing to show that this was a refund based on just that one month's premium. And as Mr M then received a refund of £100, supposedly backdated from the start of the policy until December 2022, this would further support that he was not entitled to a refund of £70 per month. So, based on what Mr M has provided so far, I cannot safely say that the refund he received is incorrect or he should be entitled to more.*

*I've thought very carefully about this matter. It's clear Wakam has failed to provide the evidence to show that its premium calculations are correct, and this has caused frustration for Mr M. His premiums are quite significant due to the job he does and so I can appreciate*

*why he would want to be satisfied that he has been paying the right amount for his insurance. But while Mr M thinks he should receive more, there isn't any evidence to support this belief. In relation to the NCD issue, Mr M has said that he had a quote previously with no NCD entitlement and this was less than what Wakam have charged when he had four years NCD. It is important to point out that quotes are a snapshot in time and the fact that he had been able to obtain a lower quote some time previously isn't necessarily enough to say that his premium now should be less. However, I do understand how this lack of clarity has caused him upset. Taking this all into account, I'm of the opinion Wakam should provide a sum of £350 for the distress this whole episode has caused to Mr M."*

Mr M responded to confirm he had received the provisional decision and didn't provide any dispute of the outcome. Wakam didn't respond. As I've not received any further comments or evidence in dispute of my provisional outcome, I see no reason to change that decision.

### **Putting things right**

I direct Wakam to pay the sum of £350 to Mr M in compensation for the distress and inconvenience caused to him.

### **My final decision**

For the reasons stated above I uphold this complaint. I direct Wakam to put things right as detailed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 29 May 2024.

Jenny Giles  
**Ombudsman**