

complaint

Mr S complains that Be Wiser Insurance Services Ltd cancelled his motor insurance policy.

background

Mr S took out a motor policy with Be Wiser after using a comparison web site. Be Wiser asked Mr S to provide further information, including written proof of his claim-free driving history. Mr S said that there was no need to show Be Wiser evidence of no claims as there wasn't a no claims discount associated with the policy. Be Wiser sent Mr S notice of cancellation and then cancelled his policy. It said that Mr S hadn't provided sufficient proof of claim-free driving.

Mr S says that Be Wiser said that the quote it had initially provided couldn't progress and that Mr S would have to start again, which would add £300 to the cost of the policy. Mr S says that he complained about that and Be Wiser agreed to charge the original price. However, it then asked for more information that it originally ask for and which Mr S thought wasn't relevant. Mr S thinks that Be Wiser did that as it made a mistake at the point of sale and wanted to cancel his policy. He says that the main reason it cancelled the policy was because he didn't provide proof of five years claim-free driving but he didn't ask for any no claims discount, so there was no need for him to provide that information. Mr S wants a full refund and compensation.

The adjudicator said that Be Wiser had dealt with Mr S's complaint fairly. He said that Mr S was made aware that he'd been offered an introductory/mirrored no claims bonus so Be Wiser wanted confirmation of his driving history. The adjudicator said that Be Wiser wasn't asking for proof of no claims bonus but it wanted confirmation of driving history. He said that insurers are entitled to carry out post sale validation checks and the information Be Wiser asked Mr S to provide wasn't unreasonable as the introductory/mirrored discount reduced the premium.

The adjudicator said that following cancellation of Mr S's policy, Be Wiser charged him for time on cover, instalment arrangement fee and premium finance interest, which was reasonable. He didn't think it was reasonable to ask Be Wiser to refund the entire premium.

Mr S didn't agree with the adjudicator. He said that he'd never heard of a mirrored no claims discount and he doesn't believe he was made aware of it at the time he bought the policy. Mr S said that at no time within the first month was it mentioned that he had a discount, so the price Be Wiser initially charged him was misleading. He says that he wasn't given sufficient time to get the information Be Wiser asked for.

my findings

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 agree with the adjudicator for the same reasons.

Mr S didn't ask for a no claims discount for this policy but it was clear from the policy schedule that Be Wiser had applied seven years no claims discount. I understand that Be Wiser based this on Mr S's years of driving. That would have reduced the premium. In those circumstances, I think it was reasonable for Be Wiser to ask for additional information about Mr S's driving history. I think that Mr S had sufficient time to provide the information and I don't think Be Wiser acted unfairly when it gave Mr S notice of cancellation of the policy and then cancelled it.

Be Wiser has said that it will charge Mr S for time on cover, an instalment arrangement charge and finance interest but will waive certain fees and cancellation charges. I think that's reasonable. There is a refund of £35.83 due to Mr S. I see no reason to ask Be Wiser to refund the entire premium.

my final decision

My decision is that Be Wiser Insurance Services Ltd should pay Mr S a refund of £35.83, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 April 2016.

Louise Povey
ombudsman