

complaint

Miss L complains that Be Wiser Insurance Services Ltd incorrectly recorded the type of licence she had when she took out her motor insurance policy. She wants it to meet the costs of the additional premium the insurer has asked for as a result. Miss L is represented by her friend, Miss W.

background

Miss L took out a policy through Be Wiser that cost £1,467.12. It was issued on the basis that she had a provisional licence rather than a full one. Miss L sent a copy of her licence to Be Wiser, as it requested. When Miss L made a claim, the insurer found that she had a full licence. It then asked for an additional premium of £3,932.60.

Be Wiser agreed that whilst the policy documents said that the policy was based on a provisional licence, it should have acted when it received a copy of Miss L's licence. So it offered to meet 50% of the additional premium the insurer had asked for and to pay Miss L £100.00 compensation. Miss L said Be Wiser should meet all the additional costs sought by the insurer.

Our adjudicator recommended that the complaint should be upheld. He thought Be Wiser had harmed Miss L's position. If Be Wiser had acted correctly a policy on the basis of the provisional licence wouldn't have been issued. Also Miss L would have been able to obtain alternative cover elsewhere.

He thought Be Wiser should meet the entire additional premium requested by the insurer. He also thought it should pay Miss L £200.00 compensation for her upset and its poor handling of her complaint.

Be Wiser replied that Miss L should have noticed that the policy documents said she had a provisional licence and then corrected this. It also thought £100.00 compensation was enough.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can appreciate that the additional premium asked for by the insurer must have come as a shock to Miss L. I can see that she would find it hard to meet this charge.

It's clear that Miss L's licence showed she had a full licence when she took out the policy. Be Wiser agrees that it should have picked this up when Miss L sent it her licence. This would have been outside the cooling off period, but Miss W says that Miss L should have been told and offered the chance to cancel the policy. She could then have shopped around for cheaper cover. Miss W also said Miss L told Be Wiser in the sales call that she had a full licence, and it had recorded this wrongly. However, Be Wiser said she told it her licence was provisional.

Unfortunately, I haven't been provided with a copy of the sales call to listen to. But Be Wiser has provided us with a transcript it made of the call. It says that in the call Miss L's mother, a named driver on the policy, said that Miss L had a provisional licence.

But I don't agree. The call handler asked whether Miss L had a full or provisional licence. Miss L's mother replied, "Yeah she's provisional; she's just passed her test today." I agree with the adjudicator that this should have prompted the call handler to ask further questions.

But at the end of the call the call handler summarised their details. He said, "And just to confirm that you have a Full UK licence, well both drivers you hold a Full UK licence there." Miss L's mother agreed. I think this means the call handler already understood that Miss L now had a full licence. So I think Be Wiser shouldn't have issued a policy based on the provisional licence.

Be Wiser sent Miss L her policy documents. I agree that she should have checked them. But Miss L then sent Be Wiser a copy of her driving licence. Be Wiser agrees that when it received this it should have noted the discrepancy and sorted it out. It could have told Miss L of the additional premium then. I think this harmed Miss L's position. It stopped her from avoiding the additional premium the insurer charged her. I don't think this is fair.

I think Be Wiser should act to restore Miss L's position. It's offered to meet half the additional premium, but I don't think this goes far enough. I think it should meet the full cost of the additional premium the insurer has asked for.

Be Wiser offered Miss L £100.00 compensation for its delay in responding to her complaint. But Miss L had the threat of a substantial debt hanging over her for some months. This must have been worrying and stressful. Be Wiser also sent her someone else's renewal document. I agree with the adjudicator that £200.00 compensation would be more in keeping with the award we'd recommend for Miss L's trouble and upset.

my final decision

My final decision is that I uphold this complaint. I require Be Wiser Insurance Services Ltd to do the following:

1. Meet the full cost of the additional premium requested by the insurer.
2. Pay Miss L £200.00 compensation for the trouble and upset caused to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 15 February 2016.

Phillip Berechree
ombudsman