

## **complaint**

Miss H's complaining that Be Wiser Insurance Services Ltd didn't pass on the information she gave about her previous claims. And because of this her insurer cancelled her car insurance policy from the start.

## **background**

On 3 March 2014 Miss H bought car insurance through Be Wiser. Two days later, it checked the proposal form against the claims and underwriting database (the database). There were three claims on the database that weren't on the form. It wrote to Miss H asking for an explanation. She called Be Wiser and explained. And it didn't ask for any more information.

In December 2014 Miss H made a claim. Her insurer investigated it and found out there were two fault claims by Miss H on the database that didn't show in its policy record. Because of this it decided to cancel her policy from the start and refund her the premium.

Miss H says she'd told Be Wiser about the missing claims when she bought the policy. Be Wiser couldn't find the recording of the sales call. So it couldn't be sure if Miss H hadn't mentioned the claims, or if it hadn't recorded them on the proposal form. So it persuaded the insurer not to cancel the policy. The insurer offered to reinstate it but Miss H had already arranged a new policy, so she asked to cancel this one.

The insurer's refunded Miss H the cost of the policy from the cancellation date to when it would have ended. So she's only paid for the time she was insured by them. And Be Wiser's charged a £45 set-up fee and £50 cancellation fee.

Our adjudicator upheld the complaint. He thought that by not being able to produce the call recording, Be Wiser had prejudiced Miss H's position. So it shouldn't have charged for the cancellation and should pay her £100 for the distress it had caused. Miss H doesn't think this is enough. Be Wiser thinks it should be allowed to charge the cancellation fee and that any distress compensation should be paid by the insurer.

## **my findings**

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

Miss H has brought her complaint against Be Wiser. So I'm not considering if the initial decision to cancel the policy was fair. That was made by the insurer. If Miss H wants to complain about that she should complain to the insurer named in her policy documents. And if she's unhappy with their response, she would be entitled to complain to this service.

I have to decide if Be Wiser treated Miss H fairly and reasonably in setting up and administering her policy.

I think if Be Wiser had been able to provide the call recording, this matter would have been resolved much more quickly. I think it's Be Wiser's responsibility to have appropriate systems in place for this. And by not having them it's made it more difficult for Miss H to prove what she said when she bought the policy.

I can see that in March 2014 Be Wiser asked Miss H about the two missing claims that caused the insurer to cancel the policy from the start. Miss H called Be Wiser and gave an explanation. It didn't ask for any more information, so it seems it was happy with her explanation. But Be Wiser doesn't appear to have shared this information with the insurer. So while it's not clear if Be Wiser failed to record and pass on all the claims Miss H told them about during the sales call. It seems clear it didn't pass the two material claims on in March 2014 after it had asked Miss H about them. So I think her complaint should succeed.

To its credit, Be Wiser worked hard to put things right. It persuaded the insurer to withdraw the policy cancellation, which took away the long term effect that would've had on Miss H getting insurance. But it still charged Miss H £50 for cancelling the policy.

Be Wiser accepted Miss H's explanation in March 2014, so it must've thought the insurer would've continued to cover her. Given Be Wiser's experience with the insurer, this makes me think that if it had it passed the information on to the insurer, the policy probably wouldn't have been cancelled. For this reason I think it's Be Wiser's fault that Miss H had to get a new policy, and so needed to cancel this one instead of reinstating it. So I don't think it's fair for Be Wiser to charge her the cancellation fee.

Miss H has said she should get a full refund. But she was insured from March 2014 to January 2015, and made a claim on the policy during that period. So I think it's fair that she pays for that period. And I don't think she should get more of the premium back. But I do think she should be compensated for the stress of being told her policy was being cancelled from the start, and the inconvenience of setting up another.

### **my final decision**

For these reasons, I've decided to uphold Miss H's claim and require Be Wiser Insurance Services Ltd to pay her:

- £50 refund of the cancellation charge plus 8% simple interest<sup>†</sup>; and
- £100 for the stress and inconvenience it's caused her.

<sup>†</sup> HM Revenue & Customs requires Be Wiser to take off tax from this interest. Be Wiser must give Miss H a certificate showing how much tax it's taken off if she asks for one.

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

Mike Foster  
**ombudsman**