

## **complaint**

Mr I is complaining that Be Wiser Insurance Services Ltd (Be Wiser) cancelled his car insurance policy shortly after it started.

## **background**

Mr I took out a car insurance policy through Be Wiser – a broker – on the telephone. It called him back shortly afterwards to say that the insurer had said that it wasn't willing to provide the policy and asked for it to be cancelled. Be Wiser said it couldn't provide an insurance policy for him that day, but it would try again the next day. Mr I was driving at the time so he had to arrange for the car to be recovered home as he wasn't insured anymore.

Be Wiser called back the next day to say it was struggling to find insurance for him, but said it would keep trying. It called him a few days later to say it had found an insurance policy for around £9,000, but Mr I didn't accept that. Be Wiser later persuaded the original insurer to provide cover on the original terms. It called Mr I to confirm this and he asked for it to be put in writing. So Be Wiser emailed him to confirm that he could take out the original quote. But Mr I didn't take out this policy.

Mr I complained because he said he wouldn't have bought the car had he known how expensive the insurance was. So he said he may have to sell the car at a significant loss. He also wants Be Wiser to pay the recovery costs. He says he's had to take out new insurance which cost around £1,000 more. He also says had to disclose that he had an insurance policy cancelled which has increased his premium.

The adjudicator upheld this complaint. She said Be Wiser had told her there was a marker on the initial insurance quote which said that it should contact the insurer to see if it was willing to provide the insurance. Be Wiser didn't do so and the investigator thought Mr I had lost out as a result. So she said that Be Wiser should refund the recovery charge of £165 that Mr I had paid and also pay £200 for the trouble and upset it had caused.

Be Wiser agreed to the adjudicator's assessment. But Mr I didn't think it was fair. He maintains that Be Wiser should refund the difference in the premium. He says he didn't see the email Be Wiser sent offering to reinstate the original policy. He says that he wouldn't have accepted that anyway as he'd lost trust in Be Wiser.

The adjudicator still thought the offer was fair. Mr I didn't agree and asked for an ombudsman to review the complaint.

## **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've come to the same conclusion as the adjudicator for largely the same reasons and I'd like to explain why.

Be Wiser has accepted that it should've referred the insurance application to the insurer before the policy started. Had it done so, I think Mr I would've avoided a lot of the trouble and upset that he's suffered. So I now need to decide how much compensation Be Wiser should pay Mr I.

Mr I says that he had to pay to recover the car as he was driving it at the time. I can understand why he did that as he'd been told he wasn't insured. And Be Wiser told him that it couldn't get him insurance immediately. So I think Be Wiser should refund this cost. And I'm pleased to see that it's agreed to do so.

Mr I says that he wouldn't have bought the car had he known the insurance premium would've been more than £5,000. But Mr I was driving the car 48 minutes after he took out the policy with Be Wiser. So I think it's *most* likely that he'd already bought it and arranged insurance once he'd done so. Also, Be Wiser said that it had re-arranged insurance on the original terms at the same premium he first paid. So Mr I could've taken out that insurance policy and not lost out. So I don't think Be Wiser induced him into buying a car he wouldn't have done.

Mr I wants Be Wiser to refund the extra he's had to pay in insurance. But I don't think that's fair. As I said Be Wiser told Mr I nine days after the policy was cancelled that his original insurer would provide insurance on the previous terms. Mr I would've still been within the 14 day cooling off period on his insurance policy, so he could've cancelled it without penalty.

Mr I says that he wasn't aware this was an option as he didn't see the email. But I note Be Wiser called him to discuss this first. And in his letter to this service he said Be Wiser told him this, but he said it was after the cooling off period. But, as I said, he was still within the time he could've cancelled without penalty. I think Mr I was aware the original policy was available if he wanted to use it, but he chose not to.

I also note that the policies don't provide like-for-like cover because Mr I's new policy only has a £1,000 excess whereas the insurance policy through Be Wiser had a £3,000 excess. So it's inevitable the new policy would be more expensive. I also note that the new insurance policy says that Mr I had a previous insurance policy cancelled. But Be Wiser has told Mr I that he didn't need to disclose this. So Mr I may be able to contact his new insurer to get a partial refund of the extra he paid because he didn't have to disclose the cancellation.

Finally, had Be Wiser done what it should've and contacted the insurer before the policy started, the insurer wouldn't have offered the insurance policy. So it's *most* likely that Mr I would've had to find another insurance policy anyway, which may have been more expensive too.

However, it's clear that this whole matter has caused Mr I a lot of trouble and upset as Mr I was told his policy was cancelled while he was driving. So he had to arrange for his car to be recovered. I can see that Mr I had to have a number of telephone calls and email correspondence with Be Wiser. So it's right that Be Wiser compensates him for this. But £200 is around the amount of money I would've awarded, given the trouble and upset Be Wiser has caused Mr I. So I think it's fair.

**my final decision**

For the reasons I've set out above, I think the amount of compensation Be Wiser Insurance Services Ltd is now offered Mr I is fair. If it hasn't done so already, Be Wiser Insurance Services Ltd should refund the £165 Mr I paid to recover his car. It should also pay him £200 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 18 December 2017.

Guy Mitchell  
**ombudsman**