

## **complaint**

Mrs M complained that Be Wiser Insurance Services Ltd unfairly cancelled her motor insurance policy.

## **background**

Mrs M bought a motor insurance policy through a broker, Be Wiser. It asked her to provide documents for herself, her husband and her daughter. Mrs M provided the documents Be Wiser asked for. But the DVLA check codes she provided for their driving licence summaries were out of date when Be Wiser tried to use them.

Mrs M made a number of calls to Be Wiser to find out what it needed to prevent the policy from being cancelled. But Be Wiser cancelled the policy after 45 days and refunded a balance of £364.53 from the £917.32 she'd paid it.

Mrs M complained to Be Wiser, but she didn't receive a reply. So she brought her complaint to us.

Be Wiser provided us with a copy of its reply to Mrs M's complaint, which she hadn't received. It acknowledged it could have communicated more clearly with Mrs M about the check codes. It agreed to waive its fees so that all Mrs M would have left to pay was the insurer's charge for time on risk.

The adjudicator who investigated Mrs M's complaint recommended it should be upheld. He felt Be Wiser should do more than it had offered Mrs M. He recommended it do the following as well:

- Apologise to Mrs M for their unclear communication and for cancelling her policy.
- Refund Mrs M any cancellation charges she has been charged by Be Wiser and the underwriter.
- Refund Mrs M any setup fees she has been charged by Be Wiser and the underwriter.
- Remove any mention of the cancellation from all internal and external databases.
- Pay Mrs M £150 compensation to cover the cost of her phone calls and to reflect the stress and upset that Be Wiser's actions have caused her and;
- If Mrs M has taken out a replacement insurance policy and the yearly cost is higher than her previous policy, Be Wiser should refund Mrs M the difference in cost and pay 8% simple interest on this figure, starting from the date the new policy was paid for until the date that Be Wiser settles the complaint with Mrs M.

Be Wiser wrote to Mrs M and apologised for its unclear communication. It confirmed the cancellation hadn't been added to any databases, so Mrs M wouldn't need to tell future insurers about it.

Be Wiser agreed with the adjudicator that it would apologise for cancelling her policy. And it agreed to refund its charges back to Mrs M. But it believes this is enough to resolve Mrs M's complaint. So it doesn't agree it should;

- compensate Mrs M £150
- pay any difference she might have paid for a replacement policy or;
- cover the insurer's cancellation charge of £54.75.

Be Wiser said although it made errors, it sent a cancellation warning notice and gave Mrs M sufficient notice which she didn't reply to.

So Be Wiser would like an ombudsman to decide.

### **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's recommendations and I intend to uphold Mrs M's complaint.

When Mrs M bought this policy in February 2016, it was a replacement for a policy she'd bought in September 2015. Mrs M had wanted a policy for her car in her name, and for her husband's car in his name. But in September 2015, Be Wiser had set up both policies in Mrs M's name.

Mrs M had already provided check codes for the DVLA to Be Wiser in August 2015. So she provided all of the documents it asked for again in February 2016. Be Wiser acknowledges it received the documents – but still asked Mrs M for them again. When Mrs M called Be Wiser she says she was given conflicting information about what documents it still needed. It said there was a problem with her NCB proof. And she says she checked the codes were still useable before she sent them to Be Wiser. So she doesn't accept they were out of date when Be Wiser tried to use them.

When Be Wiser sent Mrs M a cancellation warning notice, Mrs M says she was waiting for Be Wiser to call her back. Be Wiser didn't explain that it needed new DVLA check codes to prevent the policy from being cancelled.

So while Be Wiser's offer to resolve Mrs M's complaint goes some way, I don't think it's enough. I say this because it only deals with correcting the policy cancellation. But it doesn't compensate Mrs M for the trouble and upset Be Wiser's poor service caused her. I think it's reasonable that Be Wiser compensate Mrs M for her time making calls, resending information, and trying to find a replacement policy. Mrs M says she couldn't afford to buy a replacement policy due to the refund she received from Be Wiser.

I don't think it's fair that Mrs M should have to pay the insurer's cancellation charge. It's clear Mrs M fully intended for the policy to continue – and she provided what she believed Be Wiser needed more than once. If Be Wiser had told Mrs M the codes were out of date promptly, she could have obtained new codes and the cancellation could have been prevented.

So I think the only cost Mrs M should pay is for the insurer's days it covered under the policy. This is fair as if a claim had been made, the insurer would have met the obligations of cover under the policy for the time the policy was in place.

This means Mrs M should only pay £76.65 for the insurer's time on risk. So Be Wiser should provide a further refund to Mrs M for £476.14. (£917.32 – refund already given of £364.53 – time on risk of £76.65.)

### **my final decision**

For the reasons I've given above, my final decision is that I uphold this complaint. I require Be Wiser Insurance Services Ltd to do the following:

- Apologise to Mrs M for cancelling the policy.
- Refund Mrs M all charges she has been charged by Be Wiser and the underwriter apart from the time on risk at £76.65.
- Pay Mrs M £150 compensation to reflect the trouble and upset caused and;
- If the yearly cost of a replacement policy is higher than her previous policy, Be Wiser should refund Mrs M the difference in cost and pay 8% simple interest on this figure, starting from the date the new policy starts – or started - until the date Be Wiser pays Mrs M.

Be Wiser Insurance Services Ltd must pay the compensation within 28 days of the date on which we tell it Mrs M accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

HM Revenue & Customs requires Be Wiser Insurance Services Ltd to take off tax from any interest it pays Mrs M. Be Wiser Insurance Services Ltd must give Mrs M 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 Mrs M to accept or reject my decision before 15 May 2017.

Geraldine Newbold  
**ombudsman**