

## **complaint**

Miss K has complained that Be Wiser Insurance Services Ltd didn't cancel her motor policy when she requested it within the first 14 days and it unfairly charged her.

## **background**

Miss K bought a motor policy with Be Wiser. Ten days later Miss K emailed Be Wiser and said she wanted to cancel her policy. Be Wiser replied to Miss K and said it needed to speak to her so it didn't cancel her policy.

Miss K was on holiday abroad and tried to call Be Wiser but had problems with her phone. So she emailed it with a contact number and asked it to call her. She repeated her request by email to cancel her policy. However Be Wiser told Miss K that it couldn't make calls outside of the UK. After the 14 day cooling off period passed, it emailed Miss K to tell her that it couldn't accept her request to cancel her policy by email due to data protection which was why it needed to speak to her. It said that she would owe it over £100 if it cancelled the policy now. However her policy would remain active and her Direct Debit would continue until it spoke to her.

Miss K didn't call Be Wiser so it cancelled her policy a month later for not receiving proof of her No Claims Bonus (NCB). It charged her for the days she was insured plus its administration and cancellation charge. Miss K paid Be Wiser £381.97 and Be Wiser refunded to her £162.79.

Miss K was very upset about the way Be Wiser dealt with the cancellation so she brought her complaint to us. Be Wiser thought it had resolved Miss K's complaint because it said it had waived the outstanding balance that Miss K owed it. It said that it had dealt with Miss K's cancellation request correctly as its policy states it must receive a request in writing or verbally. It doesn't agree that email falls under the description of written communication so it needed a written letter from Miss K. It realised that it hadn't calculated Miss K's refund correctly and it owes her a further £64.24.

The adjudicator who investigated Miss K's complaint recommended that it should be upheld. He was of the view that Be Wiser had been unfair to Miss K as it didn't tell her that it wouldn't accept her email to cancel her policy until after the 14 day cancellation period had passed. And he didn't agree that Be Wiser's wording in its policy was clear enough as to what it accepted as written communication. So he recommended that Be Wiser backdate the cancellation to the date Miss K emailed her request and it recalculate what Miss K owed it on that basis. He recommended that Be Wiser pay interest on the further refund it owes Miss K and it should provide her with a letter confirming the reason for cancellation for future insurers. He felt it should pay Miss K £50 compensation for the trouble and upset it caused her.

Be Wiser didn't agree. It said that for legal reasons it can't cancel a policy by email, but either in writing or by telephone. So it thinks it followed the correct procedure when it cancelled Miss K's policy.

## **my findings**

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

Be Wiser's terms of business say the following about cancellation:

*"You have the right to cancel your policy at any time during or before the period of cover. In the event that you wish to cancel your policy documentation must be returned to us or destroyed as they will no longer be valid, you may cancel the policy in writing or verbally"*

I understand why Miss K believed she had cancelled her policy in writing under Be Wiser's terms when she sent it an email. However Be Wiser acknowledged Miss K's email but said it needed to speak to her to discuss the cancellation. It didn't explain why that was which I think was unfair to Miss K. I consider it a significant term that Be Wiser doesn't accept email communication as written communication so I think Be Wiser should have made this very clear in its terms of business. Because it didn't, I think it was unreasonable of it to not accept Miss K's email as a written request to cancel her policy.

Further, it didn't explain why it needed to speak to Miss K until after the 14 days had passed, so it then charged her more than she would have owed it if it cancelled her policy within the 14 days which I think was unreasonable. Miss K explained in her emails that she was abroad on holiday and offered a contact number for Be Wiser to contact her instead as she was having problems with her phone calling them in the UK. But it said it didn't make calls outside of the UK. Although Miss K clearly tried to speak to Be Wiser and gave it a number for it to contact her on, I don't think Be Wiser made any allowance for Miss K's circumstances which was also unreasonable.

Its terms of business say the following for cancellation within 14 days:

*"Should you cancel cover within fourteen days from receiving your policy documentation. The premium payable by you will be calculated by the number of days on cover with an insurer minimum premium of £25.00 plus IPT. In addition we will charge an administration charge of £26.50 our charge will be applicable even if the policy has not yet inception"*

I think that Miss K should only pay for ten days of cover which is up to the date she emailed it to cancel her policy. Be Wiser should recalculate its charges based on a cancellation date of 23 July 2015 and provide a breakdown of its charges to her when it does so. It should add interest to the further refund it owes Miss K. And it should provide her with a letter confirming the background to the cancellation so that she can forward this to future insurers.

I think Be Wiser caused Miss K some trouble and upset for the way it dealt with the cancellation of her policy. For this it should pay her £50.

### **my final decision**

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

- Backdate the cancellation of Miss K's policy to 23 July and recalculate its charges and days on cover.
- Clearly set out the breakdown of all its charges to Miss K when it refunds her.
- Pay interest on the refund to Miss K at a rate of 8% simple interest per year from the date of cancellation to the date it pays her.

- Pay Miss K £50 compensation for the trouble and upset it caused her.
- Provide Miss K with a letter confirming the background to the cancellation and correct all internal and external databases to show the reason for cancellation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 3 March 2016.

Geraldine Newbold  
**ombudsman**