

complaint

Mr H has complained about Sure Wise Limited. He isn't happy that it cancelled his mobility scooter insurance policy and turned down his claim.

background

Mr H took out an insurance policy for his mobility scooter and missed a payment for the policy while he was in hospital. Sure Wise called and spoke to someone at Mr H's house about the failed payment while he was in hospital saying that the policy would cancel if payment wasn't made the next day.

When Mr H got out of hospital his scooter was vandalised and so he made a claim on his policy. But Sure Wise had cancelled his policy due to non-payment and his claim was turned down. So Mr H complained to Sure Wise and then this service.

Our adjudicator looked into things for Mr H and upheld his complaint. He didn't think that Sure Wise had followed its cancellation procedure and didn't feel that it acted reasonably by placing a call to Mr H, saying it would cancel his policy, while he was in hospital. Mr H explained that his carer had taken the call and the message hadn't been passed on. So our adjudicator thought that Sure Wise should pay Mr H compensation equivalent to the claim, plus 8% simple interest and £250 compensation for the trouble and upset caused.

Sure Wise didn't think it should have to pay the equivalent value of the claim but offered £250 compensation as a gesture of goodwill. As Mr H didn't agree the matter has been passed to me for review.

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 think that the complaint should be upheld. I'll explain why.

Mr H took out an insurance policy for his mobility scooter through Sure Wise. Unfortunately he missed his direct debit payment and so Sure Wise contacted him about payment. But Mr H was in hospital at the time and the message, taken by his carer, wasn't passed on.

Sure Wise says that it wasn't aware that Mr H was in hospital so it cancelled the policy the following day as payment wasn't made. It says that this is its usual practice but if it had known that Mr H was in hospital it would've given him longer to make payment.

A short while later Mr H's mobility scooter was badly vandalised to the extent that he couldn't use it and the stress of these events caused Mr H to have to go back to hospital. When Mr H got out of hospital he made a claim through Sure Wise but was told the policy had been cancelled.

Sure Wise told Mr H that it had left a message for him and sent an email after it cancelled the policy. But he explained that he hadn't received the message or the email and said that Sure Wise hadn't given him reasonable notification of the cancellation in accordance with the policy.

Sure Wise has said that it followed its cancellation procedure and acted in line with the policy wording which says;

'The Insurer shall not be bound to accept renewal of any insurance and may at any time cancel any insurance document by giving 30 days' notice in writing where there is a valid reason for doing so. A cancellation letter will be sent to You at Your last known address.'

It has emphasised that it '*may*' cancel the policy at any time. So, in this instance Sure Wise says it acted reasonably in cancelling the policy one day after leaving a message for Mr H. But the policy says that it needs to give '*30 days' notice in writing*' and it says that it would normally send an email outlining that the policy will cancel if payment isn't made which it accepts it failed to do.

So I don't think it has acted reasonably. I say this as it only left a message for Mr H and didn't send any kind of letter or formal notice to Mr H explaining that his policy would be cancelled if he didn't make payment. Given that the cancellation would leave Mr H in the vulnerable position of having no insurance cover for his mobility scooter I don't think it has done enough to make Mr H aware of the pending cancellation or acted reasonably.

As such, I think the fair and reasonable thing to do, in the particular circumstances of this case, is for Sure Wise to pay Mr H compensation in line with the benefit of the policy which would have been paid under the claim - plus 8% simple interest from the date of loss to the date of settlement. This is because Mr H was unable to advance a claim under his insurance policy because of Sure Wise's actions.

I also think it would be reasonable to allow Sure Wise to deduct the amount Mr H would have paid in premium. And to pay him £250 compensation for the clear worry and inconvenience he has faced in having his claim turned down and having to arrange alternative transport for his day to day living needs.

my final decision

It follows, for the reasons given above, that I uphold this complaint. I require Sure Wise Limited to pay compensation to Mr H in line with what the insurer would've paid had the policy been in place. And pay 8% simple interest from the date of claim until settlement and £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 February 2019.

Colin Keegan
ombudsman