

## **complaint**

Miss W's complained that Be Wiser Insurance Services Ltd sold a motor insurance policy to her when it knew she couldn't meet the payments on the dates due.

## **background**

Miss W bought a motor insurance policy through a broker, Be Wiser. She agreed to pay for her policy in instalments through a finance company. Miss W said she told Be Wiser when she bought the policy that she didn't know when she would have the money in her account to make the payments.

Be Wiser later cancelled Miss W's policy. Miss W complained to Be Wiser. She didn't think it had been fair to her by cancelling her policy – and she was unhappy about the outstanding balance it said she owed.

Be Wiser agreed to waive the outstanding balance. And it told Miss W she didn't need to tell future insurers about the cancellation.

Miss W remained unhappy as Be Wiser allowed her to take out a policy when it couldn't arrange the collection of premiums around her monthly income. So she asked us to look at this complaint.

An adjudicator thought Be Wiser had mis-sold the policy because Miss W most likely explained the problems she would have in meeting the payments when she bought the policy. She also felt one of Be Wiser's agents had been rude and unhelpful to Miss W. So she recommended Be Wiser pay Miss W £150 compensation for the trouble and upset it caused.

Be Wiser didn't reply. I issued a provisional decision on 13 June 2016. I didn't think Be Wiser had mis-sold the policy to Miss W. But I thought the call handler had been unhelpful and caused Miss W upset during one of the calls. So I thought Be Wiser should pay Miss W £150 compensation.

Miss W hasn't replied to my provisional decision. Be Wiser feels compensation of between £75 and £100 is more appropriate for the upset caused by the conversation.

So the matter has been passed back to me 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 intend to uphold it in part for Be Wiser's poor service to Miss W.

Be Wiser hasn't provided anything to show what was discussed when Miss W bought her policy. So I've relied on what Be Wiser sent to Miss W and the subsequent call recordings provided. On the day Miss W bought her policy, Be Wiser wrote to her to confirm she'd paid part of the deposit and it would collect the balance of the deposit within 14 days, on 21 April. The day after Miss W bought her policy; the finance company also wrote to her and said it would collect her first Direct Debit payment on 7 May, and on 7<sup>th</sup> of each month for a further eight months. I think both letters clearly set out what Miss W needed to pay, and by when.

Miss W knew when the balance of the deposit was due because she called Be Wiser the day before to ask if she could pay it over a week later, on 30 April. She said there was no money in her account until then. The agent explained it was too late to stop it from trying to collect the balance deposit the next day. But if the payment failed, it would try to collect it again in seven days' time. Miss W said the money wouldn't be in her account then either. The agent told Miss W she'd already been given 14 days to pay the balance of the deposit - as usually the deposit is due in full when the policy starts. So it wouldn't be able to extend the timeframe beyond an additional seven days. She acknowledged Miss W's frustration – and then the call disconnected.

Miss W called on 28 April and the call notes suggest this call was also disconnected. Miss W called again on 30 April to pay the balance of the deposit as she hadn't paid it on 21 or 28 April.

In this call, Miss W said she couldn't pay the first Direct Debit instalment due on 7 May as there wouldn't be enough money in her account. She said Be Wiser told her in an earlier call she could change the collection date to either the 12th, 14th or 16th of the month. As she'd only just paid the balance deposit, she thought it was too soon for it to collect a further payment.

The agent read out Be Wiser's notes from the call on 28 April to Miss W. The agent said it explained to Miss W if she couldn't make the payment due on 7 May, she would pay a late payment fee, and then she would have a further seven days to make the payment. The notes said the call disconnected and Be Wiser tried to call Miss W back, but couldn't. So the agent didn't agree it said the first payment date could be changed.

As the call progressed, Miss W became frustrated as she asked for help as to what she could do when she couldn't meet the payment on the date set. The agent didn't explain why the payment date couldn't be changed – just that it had never done it before. But I think it was possible to change the collection date – because the finance company wrote to Miss W in May to confirm it would collect future payments from June on 21<sup>st</sup> of each month.

It's not clear why Miss W discussed the payment dates from 7 May with Be Wiser rather than the finance company – as their letter asked her to contact them if she had any queries about the payments. But I think this was because she called Be Wiser to pay the remaining deposit, which wasn't part of the credit agreement. I think the finance company was probably better placed to decide if the payments from 7 May onwards could be changed. So I think the Be Wiser should have explained this to Miss W, so she could speak to them separately about it.

Miss W told the agent; *"I don't need you to keep repeating it love, I'm not thick."* The agent replied: *"Ok well obviously if you aren't, you will understand what I'm trying to say."*

I think the agent's response to Miss W was rude and unhelpful - and she later ended the call with Miss W. The way Be Wiser handled the call with Miss W caused her further upset when she was looking for help to make the payments. If Be Wiser had explained why it couldn't change the first payment date (if this was the case), this would have at least helped Miss W to better understand her options. So I think Miss W should be compensated for the way Be Wiser handled the call from her on 30 April. For the poor service Be Wiser gave Miss W, it should pay her £150 compensation.

Be Wiser feels the compensation award is too high. This was the original recommendation by the adjudicator who thought the policy had also been mis-sold. But I think the amount of £150 is fair – and not far from Be Wiser's suggested range of up to £100. So for the upset caused by the phone call with Miss W, I don't think it's unreasonable for Be Wiser to pay £150.

Be Wiser hasn't provided recordings for the sales call or the call on 28 April. But from the information I've seen, I think Be Wiser's letter to Miss W on the day she bought her policy was clear about what she needed to pay and by when for the deposit. And the finance company clearly set out the premiums due, by when, and what it would charge if Miss W missed any payments.

The finance company changed the payment date to 21<sup>st</sup> of the month from the June payment – but Miss W didn't meet this payment date either in the following months - and had to pay a late payment fee each time of £30.00. Be Wiser cancelled her policy in November.

I understand Miss W feels Be Wiser shouldn't have allowed her to buy the policy. She said it knew she needed to make the payments around when she would have money in her account. But I think it was reasonable for Miss W to expect to pay a regular minimum premium for the motor insurance policy she bought. And I think she was given some flexibility in how she made those payments after they were clearly explained to her in both Be Wiser and the finance company's letters to her. So I don't think Be Wiser mis-sold Miss W's policy to her.

Be Wiser agreed to waive the outstanding balance Miss W owed, and said she doesn't need to tell future insurers about the cancellation. Miss W is happy with the way Be Wiser has dealt with this part of her complaint. I think this was a reasonable approach for Be Wiser to take.

### **my final decision**

For the reasons I've given above, my final decision is that I uphold this complaint in part and I require Be Wiser Insurance Services Limited to pay Miss W £150 compensation for the trouble and upset it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 4 August 2016.

Geraldine Newbold  
**ombudsman**