

complaint

Mrs P has complained that Be Wiser Insurance Services Ltd recorded the registration number of her new car incorrectly when she called to insure it and that this led to her being stopped for driving without insurance and having her car impounded

Background

Mrs P called Be Wiser to change the car she had insured under her policy. The agent recorded the last letter of the registration number as an N instead of an M. Mrs P was later stopped by the police and they impounded her car. She had to take time off work to prove her car was insured and pay £170 to get it released. She's also waiting for a court date for the charge of driving without insurance.

Mrs P complained to Be Wiser and they provided a letter confirming her car was insured at the time she was stopped. They explained that they'd listened to a recording of the call Mrs P made to change the car she had insured and that the way she said the N made it sound like an M. Because of this and the fact Mrs P didn't check her documentation they only agreed to waive the administration fee they'd charged of around £60. They wouldn't reimburse the fee for releasing the car or pay Mrs P compensation for the time she had to take off work. So Mrs P complained to us.

Our investigator suggested Be Wiser pay an additional £100 in compensation for the distress and inconvenience Be Wiser's error had caused her.

Be Wiser don't think they should have to pay the compensation and have asked for an ombudsman's decision. They maintain that the last letter of the registration sounded like an N when Mrs P gave it over the phone. They've also said the police could have called them to check whether Mrs P's car was insured before impounding it. And they've pointed out the police have said Mrs P can contact them and ask for a refund of the impound fee if she wants to.

I issued a provisional decision on 8 January explaining why I thought Mrs P's complaint should be upheld. And why I'd provisionally decided Be Wiser should reimburse the fee she paid to have her car released, plus pay £100 in compensation and reimburse the £60 administration fee they charged. I've copied my provisional findings, which set out my reasons for this, below:

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've provisionally decided to uphold it and make Be Wiser reimburse the impound fee, as well as pay £100 in compensation.

I've listened to a recording of the call Mrs P made to change the car insured under the policy and I can see how Be Wiser's adviser might have heard the last letter of the registration as an N. However, I think the adviser should have read back the registration or checked any letters that could be confused using the phonetic alphabet to make sure what she'd recorded was correct. I think it's fair to say this is good practice, bearing in mind how important it is to get a registration number right. If she'd done this I think Mrs P would have picked up the error and Be Wiser would then have recorded the correct registration. And I think the adviser's failure to do this was the main reason the registration was recorded incorrectly and Mrs P was stopped by the police.

I accept Mrs P could have checked her documentation more carefully, but I can see why it was easy for her to miss one wrong letter when she was expecting the information to be correct and she was checking it quickly. Especially as when she gave the registration, the agent picked up the same make and model of car as the one Mrs P wanted to insure, despite putting in the wrong registration number. And I also appreciate the police could have called Be Wiser or the insurance company providing the cover to check whether there had been an error. But this doesn't alter the fact that it was Be Wiser's agent's failure to check they had the correct registration in the first place that caused the problem.

So I don't think it's fair for Mrs P to have to go to the trouble of contacting the police for a refund of the impound fee. And – there's no guarantee she'll get it back if she does. Plus, she now has the distress and inconvenience of going to court to prove her car was insured. Although, I think she should be able to do this successfully now she has a letter from Be Wiser confirming her car was insured.

In summary, I think the root cause of Mrs P's problem was Be Wiser's agent's poor customer service in not checking the registration number to make sure it was right. And I think the fair and reasonable outcome to Mrs P's complaint is for Be Wiser to reimburse the impound fee and pay her £100 in compensation for distress and inconvenience, in addition to reimbursing the administration fee they charged her for changing the car insured under her policy. I appreciate Mrs P didn't get a receipt for the impound fee, but I'm satisfied she paid it. I don't intend to make Be Wiser pay interest on the impound fee, as I think reimbursing the fee itself and the compensation is enough in the circumstances. The compensation also takes into account Mrs P's point that what happened interfered with her work arrangements.

developments

Mrs P has said she agrees with my provisional decision. Be Wiser doesn't agree with it. They still think Mrs P should have checked her documentation more carefully. And they've pointed out that in the call she made to change her car, she mentioned the importance of receiving an amended certificate and schedule, due to problems she had previously with an amendment to her policy. They think this should have made her appreciate the importance of checking documentation. And they've said if I do still think they should reimburse the impound fee Mrs P paid, they're entitled to see some evidence she paid it.

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've decided to uphold it.

I've noted what Be Wiser have said, but I still think the main reason Mrs P was stopped by the police and had her car impounded was that Be Wiser's adviser made a mistake. I appreciate Mrs P could have picked it up if she'd paid closer attention to the documentation she received, but there was only one letter wrong on the registration and she was expecting the right one to be there. Plus – as I said in my provisional decision – she would have seen the same make and model of car. So I can see why she missed the error. I think it's good practice for an adviser to read back the registration using the phonetic alphabet, bearing in mind the importance of distinguishing between letters that can sound the same.

In summary, my view remains the same as in my provisional decision for the same reasons. But, I agree Be Wiser should see evidence Mrs P paid the impound fee. And she's now provided this and I've asked our investigator to send a copy to Be Wiser.

my final decision

For the reasons explained above and in my provisional decision, I uphold Mrs P's complaint and order Be Wiser to reimburse the £170 fee she paid to have her car released. They must also pay her £100 in compensation for distress and inconvenience, as well as reimbursing the £60 administration fee they charged for Mrs P to change the car insured under her policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 1 March 2018.

Robert Short
ombudsman