

complaint

Mr M complains that Be Wiser Insurance Services Ltd unfairly arranged for his motor insurance premiums to be increased when it discovered that he'd owned his car for only one month instead of 10 years.

background

Mr M applied online for motor insurance arranged by Be Wiser. He said on the online application that he'd owned his car since 2007. The next day Be Wiser telephoned Mr M to finalise the policy sale. The policy documents were issued to him and payment of £371.03 was taken. The day after this, Be Wiser phoned Mr M again to confirm his driving history. It also wrote to him asking him to provide it. Some weeks later Mr M provided Be Wiser with his driving history. He confirmed he'd been claim free for three years but as a named driver under a 'fleet' policy.

Be Wiser told Mr M that it couldn't accept this as proof of his individual driving history. It asked Mr M where he'd insured his vehicle since 2007. Mr M told Be Wiser he'd actually only had the vehicle for a few weeks so it hadn't been insured anywhere before. Be Wiser passed this information onto the insurer. It said that this information meant it needed to charge Mr M an additional premium of £690.25.

Be Wiser told Mr M about the additional premium his insurer required in order to continue cover. As an alternative, Be Wiser also obtained an annual quote from another insurer that would accept Mr M's actual claims history – that quote was for £836.90.

Mr M cancelled his policy and complained to Be Wiser. He said that Be Wiser was wrongly trying to back out of the original contract and that once a contract was formed it had no duty to follow up on any further details. Be Wiser explained that the policy had to be amended to reflect the correct information. Mr M said it was acting illegally.

Mr M complained to this service. Our adjudicator investigated his complaint but didn't recommend that it was upheld. She said that Be Wiser hadn't been able to locate any of the phone call recordings but it had provided her with evidence of its search. So she said she couldn't check what Mr M had said – that he told Be Wiser right at the start that he'd only had the car a few weeks and it'd wrongly recorded the fact he'd had it longer. She said she'd seen a screenshot of Mr M's online application which showed that he'd entered that he'd had the car since 2007. As a result, this was the information the insurer based its quote on. It was also recorded like this in the policy documents.

Our adjudicator said that she didn't think the insurer had done anything wrong by recalculating the premium once it was in possession of the correct information. The original price was based on an incorrect understanding of the risk it was being asked to take on. If the correct information had been provided at the start, then Mr M would've been quoted a higher premium then.

Mr M disagreed with our adjudicator. He said that:-

- Be Wiser didn't ask him to provide it with information about his driving history;
- that when Be Wiser called him it didn't tell him that it was relying on information he'd disclosed online.

- he'd never told Be Wiser he owned the car since 2007 and because it couldn't produce the phone calls it was unable to prove that he had.
- that Be Wiser mishandled cases and should be investigated.

The complaint was passed to me for a decision.

my findings

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

I've seen the screenshot of the information Mr M provided during the online application. It says he'd owned the car since 2007. This date then appeared on the statement of facts that Mr M was sent with his policy documents. The accompanying letter asked Mr M to check the statement of facts carefully to ensure all the information provided was done so honestly, and accurately. It also said that inaccurate information could lead to the policy being invalidated. Finally the letter said that the policy was based on Mr M declaring a 4 year no claims discount. Be Wiser said *"we ask that you provide details of this by email...or...upload your details. Please be aware that if we do not receive this information within the next 14 days it may result in us having to contact you further."*

Mr M told Be Wiser on the phone that he'd only had his car a few weeks. So it's clear from the above evidence I've referred to, that the insurer had calculated the premium based on incorrect information. I can't ignore that the insurer was given the wrong date on-line. It is only able to produce a quote based on the information it's given. It was made clear that the terms of the contract were dependent on confirmation of Mr M's driving history. So I can't say that the insurer unreasonably altered its terms by charging an additional premium when it found out about it. If the insurer had been in possession of the full facts at the start then Mr M would've been quoted the higher premium then.

Insurers set premiums based on the risk consumers present to them of making a claim. They take various factors into account when they are doing so and the length of ownership of a car is one of them. For the insurer, once it was told Mr M hadn't owned the car for longer than a few weeks, it meant its view of the risk it was being asked to insure changed.

I don't think that Be Wiser has treated Mr M unreasonably here. It made it clear that he needed to provide his driving history and once he did, it had to pass it on to the insurer. The documents it sent to Mr M contained warnings about checking the information disclosed.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 February 2017.

Claire Woollerson
ombudsman