

complaint

Mr M's complaint is about a number of motor insurance policies he took out through Be Wiser Insurance Services Ltd.

background

I set the background out in a provisional decision that I sent in March as follows;

Mr M bought four policies over a number of months. The crux of the complaint is as follows;

- *Policy one was cancelled because Mr M hadn't disclosed two claims*
- *Policy two was taken out shortly after but was cancelled because Mr M hadn't disclosed one of the two claims from policy one*
- *Policy three was cancelled because Mr M didn't pay his instalments*
- *Policy four remains in place*
- *As a result of the cancellations Mr M was charged set-up fees and owed money to Be Wiser. He didn't think this was fair and wanted Be Wiser to stop chasing him for money.*

An adjudicator didn't think policy one had been cancelled fairly as the letter was addressed to someone with a different name. She explained that Be Wiser knew about both Mr M's claims when it set-up policy two so it shouldn't have cancelled it. And she said Be Wiser hadn't taken payment details for policy three so it wasn't fair that it cancelled this policy for non-payment. The adjudicator also believed Be Wiser's service was poor as Mr M had told it that he wanted a multi-car policy but instead Be Wiser had set up two policies (policies two and four).

Be Wiser didn't agree with adjudicator and in summary made the following points;

policy one

- *even though the name was incorrect Mr M received the letter as he had called to question the cancellation.*

policy two

- *Mr M was asked a clear question about how many claims he'd had and he said one*

policy three

- *This was set-up with a deposit from the previously cancelled policies and Mr M had said he'd call back to make payment of the remaining amount but didn't.*

*And in relation to the multi-car point, Be Wiser said there had been a misunderstanding. It highlighted the following line from its representative – "What we'll do is we'll do it as a multi policy because we can get you multi policy discounts; I'll get them **all** sent out to you so it will be both vehicles together for you." Be Wiser said the word **all** means quantity and so it was clear enough that it wasn't one policy.*

my provisional findings

I only referred to things in brief but had read and listened to everything we'd been sent. I outlined my provisional thoughts as follows;

The issues Mr M's experienced are not all Be Wiser's fault and I'll explain why.

policy one

Mr M failed to take reasonable care in the answer he gave about previous accidents or claims. He should have mentioned two but didn't. And Be Wiser asked for certain documents that Mr M didn't send. I think it was reasonable for Be Wiser to cancel the policy because Mr M didn't send it any of the information it asked for.

It's correct that the cancellation letters were sent to Mr M's address. And it's true that the name was incorrect. But Mr M opened the letter and knew it related to his policy. This was clear from the registration of the insured car. And he contacted Be Wiser about the letter and the fact his policy had been cancelled.

Cancelling a policy is a serious step and that's why it's reasonable to expect Be Wiser to give Mr M notice. And although the name was wrong all other relevant information was correct and Mr M knew the letter was about his policy. For me to find that the notice can't be relied on in these circumstances would be to find against Be Wiser on a 'technicality'. The fact is Mr M got the notice and knew it related to him so I think the cancellation was fair.

policy two

I don't think it was fair to cancel this policy on the basis that Mr M only mentioned one previous claim. Be Wiser knew there had been two as that was one of the main reasons policy one was cancelled. So in spite of what it says about policy two being a new sale the circumstances were such that it was reasonable to expect Be Wiser include both claims that it actually knew about.

And it was this policy (and policy four) that concerned Mr M's request for a multi-car policy. The quote Be Wiser's referred to, in my view, is unclear. I can understand why, having looked at everything, Mr M thought it was a multi-car policy. So I do think this caused confusion as it wasn't clear what Mr M was getting.

policy three

This was cancelled because of non-payment – I've seen copies of the cancellation notices and think it was reasonable to cancel the policy. Mr M knew he needed to pay for his policy and he was sent a letter chasing his payment card details. But he didn't provide these and so the policy was cancelled fairly. I note that the policy was cancelled several weeks after it was taken out so Mr M had plenty of opportunity to provide payment details to Be Wiser.

putting things right

When Mr M first came to us all he wanted was for Be Wiser to stop chasing him for money it said he owed. Be Wiser has confirmed that it's not chasing Mr M for anything and has paid a refund of £71.36 and is willing to send a further £67.60. Mr M's been charged by the insurer for time on cover for policies one, two and three. Be Wiser has waived a number of fees (including cancellation) and has charged a total of around £120 for the three policies it set up and cancelled. I've not seen anything from Mr M that he would have done anything differently had Be Wiser told him its charges and fees over the phone.

The fees and charges are set out in Be Wiser's terms of business. So Mr M would have known what he might have to pay. As the policy was taken out over the phone it would have been appropriate for Be Wiser to tell Mr M about his charges then as they're a significant part of the policy. But Be Wiser offered to read them to Mr M during a phone call.

The fees that Be Wiser was entitled to charge far exceeded what it actually charged. It's not unreasonable that it charged for set up cancellation and adjustments. In total it charged around £120 which in my view, even bearing in mind that I don't think it was entitled to cancel the second policy, is a fair amount for what it did in relation to policies one and three.

But the unwarranted cancellation of policy two has caused inconvenience. So I think Be Wiser should pay £100 compensation and give Mr M a letter saying that policy two (full details need to be given in the letter) was cancelled incorrectly and remove this recording from any database Be Wiser's recorded it on. And it should request the insurer removes it too and advise Mr M whether the insurer has done this or not.

replies

Mr M said he wasn't happy with my provisional decision. He said he paid fully and upfront for policies one and two but has only received a refund of around £77. He accepts he had to pay £50 cancellation fee but feels he's been charged far too much each time a policy was cancelled.

Be Wiser reviewed the telephone call for policy two. It said its agent gave Mr M a quotation for two vehicles and confirmed the details with him. Its agent asked whether Mr M had had any claims in the last 5 years and he said he'd had one about two and a half years ago where someone hit him in the rear and this was non fault. When Mr M was told about a claim from July 2014 he said didn't know about it this. And it was because of this that the claim wasn't included in the quotation. Be Wiser said it was entitled to rely on Mr M's replies.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And I've listened to the call Be Wiser's sent.

I don't agree the call Be Wiser referred to is as explicit as it has made out. Mr M's asked about a claim from July 2014 and he's unsure about it. He says it might have been December. Mr M doesn't buy the policy in that call. So, in my view Mr M didn't deny the accident in July 2014, he was unsure and suggested it might have been December. And Be Wiser accessed the Claims Underwriting Exchange database so was aware of his claims prior to setting up policy two. Given Be Wiser had already cancelled policy one because of an undisclosed claim it knew it had to take this into account for policy two.

my final decision

For the reasons explained I uphold the complaint and require Be Wiser Insurance Services Ltd to pay Mr M £100 compensation together with a further refund of £67.60 (if it hasn't paid this already).

And Be Wiser must give Mr M a letter saying that policy two (full details need to be given in the letter) was cancelled incorrectly and remove this recording from any database Be Wiser's recorded it on. And it should request the insurer removes it too and advise Mr M whether the insurer has done this or not.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 May 2016.

Sean Hamilton
ombudsman