

complaint

Mr T complains that Be Wiser Insurance Services Ltd provided him with poor service when he bought a commercial vehicle insurance policy through it.

background

Mr T said Be Wiser didn't find a fully comprehensive policy for him as he'd requested, but instead set up one that covered only third party, fire and theft. As Mr T was in hospital, he didn't see the policy documents that were emailed to him for some time. Mr T asked Be Wiser to cancel the policy in June 2016. He rang on 8 July 2016 to request it again. Be Wiser sent him confirmation, but didn't cancel the policy. It ran until late August 2016. Mr T got requests for late premium payments and was threatened with debt recovery.

Our adjudicator thought Be Wiser should backdate the cancellation to 8 July 2016 and pay Mr T any extra refund due, plus interest. He said it should remove records of it cancelling the policy, send Mr T a letter confirming that and pay him £150 compensation.

Following further negotiation, Be Wiser agreed to try to backdate the cancellation, subject to proof of alternative insurance cover from that time. It said its letter would confirm the cancellation would have no effect on his insurance or his financial records. It said it thought £75 compensation was fair, but was only able to pay it to Mr T, not to his named charity.

As Mr T wasn't happy with Be Wiser's proposed settlement, the complaint was 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.

Be Wiser recognised its service was lacking in this case. That's why it agreed Mr T should only have to pay for the time he was covered by the policy and offered to waive all its charges. It couldn't find the initial sales call, but said there'd been no attempt to mislead Mr T. I think the most likely explanation is that an error was made about the extent of cover.

Be Wiser said it needed proof of alternative insurance being in place from the intended date of cancellation to give to the insurer. Otherwise the insurer would be liable for any claim between that date and the date cancellation actually took place. I think it's reasonable for Be Wiser to ask for that, but if the proof isn't acceptable to the insurer I think Be Wiser should stand the loss. The policy should have been cancelled from 8 July 2016.

Be Wiser's agreed to arrange for records of its cancellation to be removed and to issue a letter to Mr T stating it won't have any effect on his insurance or financial records. The only remaining issue is the level of compensation that should be paid. As Be Wiser's waived its charges, it thinks £75 should be sufficient. I don't think £150 is unreasonable in this case. The compensation's meant to reflect the impact a business's actions have had on a particular consumer.

Mr T was very upset by what happened. He says the insurance was no good to him from the outset, through no fault of his. He says Be Wiser's contact with him was poor in general and it didn't do what he asked. He was put to some trouble dealing with the issue that shouldn't

have been necessary and harassed with messages about missed payments. He was worried his financial history might be affected as well as his insurance records. He thinks Be Wiser should have apologised to him.

I can understand why Mr T was confused, worried and frustrated by Be Wiser's actions. I think the situation was made worse by the fact that Mr T was coping with a serious medical condition at the time. Be Wiser may not have been aware of it, but that doesn't detract from the impact of its actions on Mr T. As it isn't able to pay the money to Mr T's charity, I think it should pay him the full sum suggested by the adjudicator, so he may pass it on.

my final decision

My final decision is that I uphold this complaint. I require Be Wiser Insurance Services Ltd to do the following:

- Attempt to have the date of cancellation backdated to 8 July 2016 and pay any extra refund to Mr T, plus interest at 8% simple, from that date to the date of payment
- If the insurer won't provide a refund, Be Wiser should do so, as set out above
- Make arrangements for all records of the cancellation by Be Wiser to be removed
- Send Mr B a letter confirming the cancellation will have no effect on his insurance or financial records
- Pay Mr T £150 compensation

HM Revenue & Customs requires Be Wiser to take off tax from the interest. It must give Mr T a certificate to show how much is taken off if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 27 February 2017.

Susan Ewins
ombudsman