

complaint

Miss E has complained about Be Wiser Insurance Services Ltd's actions which led to the cancellation of her motor insurance policy.

Reference to Be Wiser includes its agents.

background

Miss E had an existing motor policy which Be Wiser had arranged for her. When that lapsed Be Wiser arranged another policy with a different insurer, Miss E paid for this up front. But Be Wiser also set up a direct debit to pay the premium in instalments. When the first of these was taken from her account Miss E asked the bank to return it to her, which it did.

Be Wiser then sent Miss E letters saying that she hadn't provided information it had asked for and she owed it money. It said it would cancel her policy. Despite Miss E contacting it to say she'd provided everything it had asked for and had paid her premium up front Be Wiser sent her a letter saying it was going to cancel her policy, which it later did.

After she complained Be Wiser told Miss E that it had cancelled her policy on the insurer's instructions. But the insurer confirmed it played no part in the cancellation, although it said it had kept part of the premium for the time it provided cover for.

Miss E brought her complaint about Be Wiser to us. Be Wiser agreed to waive its cancellation charges and refunded her a total of £659 from the policy which was roughly £1,600. The adjudicator didn't think Be Wiser had dealt with Miss E fairly. So he said Miss E should only be charged for her time on cover and it should refund any of its charges. He added that it should pay her £200 compensation for her distress and inconvenience.

Miss E had initially said that she thought Be Wiser should refund her entire premium. Be Wiser said it didn't understand how Miss E could be confused about the outstanding balance, which was why it cancelled her policy. So the complaint's been passed 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'm going to uphold it.

I think it's important to note that Be Wiser is an insurance intermediary. As such, it arranges and may administer policies, but it doesn't provide or charge for the insurance cover, which is done by the underwriter. Also, generally, when it's requesting information to validate a policy or gathering payments it will do so as an agent for the underwriter. But, in this case the underwriter has confirmed that it played no part in the cancellation of Miss E's policy. And it was Be Wiser that dealt with Miss E alone. So, it was solely responsible for any errors. And in the specific circumstances of this case I think it's reasonable to direct my findings as being against Be Wiser alone.

Having looked at all the available evidence carefully I can understand that Miss E must have found Be Wiser's service very frustrating. I've seen it made numerous requests for information that she'd already provided. It's told us that she hadn't provided the correct

information, but if that's the case then it certainly didn't explain to her what was wrong with the evidence she'd already sent.

I also think Be Wiser's confused itself about Miss E's preferred method of payment. It seems that initially it offered her a policy that Miss E was going to pay for in instalments. But, after she said he could find a cheaper policy elsewhere it offered her a different policy. Miss E said that she would pay for that *in full* and Be Wiser took the payment from her card. But it appears to have also set up a direct debit arrangement, although Miss E had no need for that.

Two months later Miss E's bank took a direct debit for £188. Given that she believed she'd already paid her premium in full, there would be no remainder left owing and no reason to pay a direct debit. If there was, and Be Wiser hadn't taken all of her premium at the outset as she'd asked, then it should have explained that to her but it didn't. Instead it cancelled her policy and then gave her confusing explanations for why it had done so. So, I think it's easy to see why Miss E was confused about her payment conditions, when in fact it appears that Be Wiser was more confused than she was.

Also, it provided confusing information about the cancellation. It said it was because Miss E hadn't provided requested evidence, when she had. And that it was because she'd cancelled a direct debit - when she'd already paid in full. It then said that the underwriter had instructed it to cancel the policy, but it confirmed it hadn't.

So I don't think Be Wiser dealt with Miss E reasonably. And I think its decision to cancel her policy was unfair. To put things right I think Be Wiser should waive all of its administration and commission charges. And, to address Miss E's distress and inconvenience it should pay her £200 compensation. It should also ensure that any record of the cancellation is removed from internal and external databases, and write to her to confirm that her policy was cancelled in error. She can then present that letter to her new insurer to see if that leads to a reduction in premium.

Miss E said she wanted Be Wiser to refund her the entire premium. But the insurer has kept a proportion of its premium for the time it covered Miss E. That's not something that Be Wiser has control over as the insurer is a separate business. So I'm not going to instruct Be Wiser to refund her entire premium.

my final decision

For the reasons set out above I uphold this complaint. I require Be Wiser Insurance Services Ltd to:

- Refund Miss E any administration, commission or other charges it may have retained from her policy premium. It should add simple interest at a rate of 8% a year simple, to any refund it will or has made from the date Miss E paid the premium to the date it reimburses or reimbursed her¹.
- Remove any record of the cancellation from internal and external databases and provide Miss E a letter to confirm the policy was cancelled in error.

¹ If Be Wiser considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Miss E how much it's taken off. It should also give Miss E a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

- Pay Miss E £200 compensation to address her distress and inconvenience.

Be Wiser must pay the compensation within 28 days of the date on which we tell it Miss E accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 27 October 2017.

Joe Scott
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