

complaint

Mrs P has complained that Be Wiser Insurance Services Ltd made a mistake when they set up her car insurance policy and she ended up having to pay a lot more than she was told she'd have to pay originally.

background

Mrs P took out a car insurance policy through Be Wiser. Be Wiser sent her a welcome pack straight away and this included a statement of fact. The covering letter said she had six years no claims discount and the statement of fact showed the information she provided in response to the questions she'd been asked when she took out the policy. Next to the question asking whether Mrs P had had any accidents or losses in the last three years was the answer 'No'.

A few days later Mrs P called to change the spelling of her name. Be Wiser then asked for a copy of Mrs P's driving licence and checked her claims history. They then discovered that they hadn't recorded an accident Mrs P had in July 2015 and that she was only entitled to one years no claims discount. So they told her she'd have to pay a much higher premium on her existing policy. Mrs P couldn't afford this and eventually Be Wiser found her another policy, which cost less than the revised price of the existing one. So they cancelled the existing policy, waived their charges and just charged Mrs P what the insurer had charged for the time she was covered by them.

Mrs P wasn't happy about the service she'd received and complained to us. One of our adjudicators reviewed the case. He thought Be Wiser had made mistakes and this had caused Mrs P unnecessary distress and inconvenience in what was already a difficult time for her. He recommended compensation of £100 for this.

Be Wiser doesn't think it should have to pay compensation and has asked for an ombudsman's 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. Having done so, I've decided to uphold it and make Be Wiser pay £100 in compensation for the same reason as our adjudicator.

Unfortunately, Be Wiser haven't got a recording of the telephone conversation their adviser had with Mrs P when the policy was set up. So I can't know for sure what was discussed. Mrs P has said she told the adviser about her accident in July 2015, as it was linked to a conviction she received. She's also said she told the adviser she'd been a driver on a Motability car for four years. So she's not really sure how Be Wiser's adviser thought she had six years no claims discount.

I can see the conviction Mrs P had received was on the statement of fact. And – because this was linked to her accident – I think it's most likely she told the adviser about the accident as well, but they forgot to record it. I appreciate Mrs P didn't point out it was missing when she called to correct the spelling of her name, but I accept she didn't spot this as she assumed it would be included like the conviction.

It seems odd to me that Be Wiser thought Mrs P was entitled to six years no claims discount, when she'd only held her driving licence for four years at the point she took out the policy. I

think this suggests there was some confusion around what Mrs P was actually entitled to. And I think it's most likely this was Be Wiser's agents fault.

This means I think two errors by Be Wiser's agent led to Mrs P getting a policy at a much lower premium than should have been the case. In the end she ended up paying the right premium, but she had a lot of distress and worry in sorting this out during what was already a difficult time for her. I can also see that she was sent a lot of system generated letters that would probably have been quite confusing for her in the circumstances. So I think the service Be Wiser provided was poor overall.

In view of all of this, I think Be Wiser should pay Mrs P compensation for the distress and inconvenience she experienced as a result of the poor service they provided. And I agree with our adjudicator that £100 is fair and reasonable.

my final decision

For the reasons explained above, I uphold Mrs P's complaint and order Be Wiser Insurance Services Ltd to pay her £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 23 February 2018.

Robert Short
ombudsman