

## **complaint**

Mr K and Mr Y have complained that Be Wiser Insurance Services Ltd didn't provide a suitable car insurance policy in time to prevent Mr Y's car from being returned from impound to the finance company.

Mr I is representing Mr K and Mr Y in their complaint.

## **background**

Mr Y said he was the registered owner and keeper of a car which he held under a finance agreement with a dealership since June 2018.

On 22 October 2018 the police seized Mr Y's car under the Road Traffic Act as they had reason to believe it was being driven without a licence or insurance. Mr Y wasn't driving the car when it was seized.

The seizure notice gave a deadline of 31 October 2018 for the registered keeper or owner to collect the car.

Mr I said that Mr Y was out of the country and so wasn't able to collect the car. On 30 October 2018 Mr I called Be Wiser and arranged a policy in Mr K's name. Mr I told Be Wiser that Mr K wasn't the registered owner or keeper of the car.

Be Wiser passed this information to the underwriter and a policy was set up. But when Mr I and Mr K went to collect the car on 31 October 2018, the police spoke to the underwriter. They told the police their policy wasn't valid because Mr K wasn't the registered owner or keeper – even though Be Wiser had told the underwriter this was the case.

Mr I contacted Be Wiser and it arranged for the underwriter to provide a replacement policy showing Mr Y as the policyholder and Mr K as a named driver. This policy was available on 1 November 2018.

However, Mr I said that by then it was too late as the deadline was 31 October 2018. Mr Y's car was returned to the dealership finance company. The finance company terminated the finance agreement Mr Y held with it as it said he'd breached the terms of the agreement.

Mr I on behalf of Mr Y said Be Wiser's error caused Mr Y to have a default marked against him by the finance company. He said this would destroy Mr Y's credit rating at a time when he was hoping to get a mortgage to buy a house.

Be Wiser contacted the police. It told Be Wiser that it had extended the deadline to provide correct documents – which wasn't limited to a valid insurance policy – to 2 November 2018. It didn't receive the documents it asked for by this date. So Mr Y's car wasn't released.

The underwriter agreed to refund the premium paid for the second policy as Mr I said it couldn't be used to release Mr Y's car.

Our investigator thought Be Wiser had acted reasonably. He said the information showed that Be Wiser provided a second policy before the extended deadline set by the police for Mr Y's representatives to collect his car.

Mr I didn't agree. He believes Be Wiser is trying to avoid responsibility for its errors. He said Mr Y is being chased by a debt recovery agent for the balance he owes the finance company. Mr Y doesn't believe he should have to pay it.

So the case has 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 don't intend to uphold it. I'll explain why.

The original seizure note gave a deadline of 31 October 2018 for the registered keeper and owner of the car to provide the documents the police required to release Mr Y's car.

The police emailed Be Wiser and said that it wrote to Mr Y to tell him that only he could reclaim his car and the deadline it gave him was 2 November 2018.

The police said a male attended a police station on 26 October 2018. The police told him it needed a fax from Mr Y showing his open passport with his full details. The fax needed to clearly show the country of origin for confirmation.

The police said two males attended on 31 October 2018 with the incorrect policy document – but also without the additional fax confirmation. The police said they made the men aware that Mr Y needed to provide the requested documents by 2 November 2018 or the car would be returned to the finance company. The police said it can't confirm if the second insurance policy would have been adequate as it didn't see the policy and didn't receive the fax confirmation.

Be Wiser has provided a copy of the proposal form it sent to the underwriter. It correctly told the underwriter that Mr K wasn't the registered owner or keeper of the car. When the error was discovered, Be Wiser promptly contacted the underwriter and arranged a replacement policy. This was available on 1 November 2018. So according to the information Be Wiser received from the police, I can't conclude that Be Wiser arranged the policy too late.

I also can't conclude that Be Wiser is responsible for the dealership finance company's decision to terminate the agreement it had with Mr Y. It's a standard requirement for a car under a finance agreement to be comprehensively insured. The letter I've seen from the finance company which says Mr Y breached the agreement doesn't say why. There's no evidence to show me that the reason the finance agreement was terminated was because the car was returned to the finance company.

Based on everything I've seen, I think Be Wiser acted reasonably. It provided correct details to the underwriter. And it arranged a replacement policy before the deadline the police said it gave to collect Mr Y's car. As a full refund was given, I think Be Wiser has been fair. So I'm not asking it to do anymore.

### **my final decision**

For the reasons I've given above, 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 Y and Mr K to accept or reject my decision before 8 November 2019.

Geraldine Newbold  
**ombudsman**