

## **complaint**

Mr M's unhappy that Be Wiser Insurance Services Ltd cancelled his motor insurance policy.

## **background**

In May 2017 Mr M called Be Wiser for a quotation to change the vehicle on his policy. He thought its quote was too high and asked to cancel the policy. While being put through to the cancellations department the line was cut off. Mr M believed the insurance hadn't been cancelled. He then decided to accept the quote and called Be Wiser back completing the change of vehicle. But due to an error Be Wiser still processed the cancellation. Even so it carried on taking the monthly payments to settle the outstanding balance owed.

Mr M found out he was driving while uninsured and asked Be Wiser to reinstate the policy or take out a new one. Cover was arranged although Mr M has since cancelled the policy. As a gesture of goodwill Be Wiser waived the cancellation charges of £97.57.

Our investigator felt this complaint should be upheld. He said:

- It isn't disputed that Be Wiser made an error cancelling Mr M's insurance as he'd confirmed he wanted it to continue and had completed the change of vehicle.
- Be Wiser says it did enough to make Mr M aware the policy was going to be cancelled. It'd sent him letters and emails. It'd also unsuccessfully called him. But its messages didn't mention the cancellation. Even so Mr M had called back and confirmed the vehicle change and the monthly payments continued to be taken from his account.
- Its more likely Mr M didn't have an indication these communications were anything more than regular updates or marketing calls and he may not have read them. It's unlikely he should've been aware the policy was going to be cancelled.
- As soon as he became aware the policy had been cancelled Mr M called Be Wiser as he rightly didn't want to drive uninsured. But Be Wise wouldn't reinstate the policy or let him take out a new one. It only later did so after we became involved. It should've been able to do so earlier. That would've resolved the situation a lot sooner and created a lot less stress for Mr M.
- So, Be Wiser should now pay Mr M an extra £102.43 compensation for this in addition to the waived cancellation fee of £97.57.

Be Wiser says it was Mr M's responsibility to read the correspondence sent to him. It offered a quote to him in the first call when he found out he was uninsured. That was before we became involved.

Mr M says that is true but he was only offered the option of starting a new policy as a new customer. That wouldn't have helped his situation.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The simple fact is both parties could've handled things better.

Be Wiser made an error cancelling Mr M's insurance after he'd confirmed he wanted it to continue and had completed the change of vehicle. The effects of this were compounded by Mr M not reading communications sent to him.

Even so, I think Be Wiser's error has inevitably caused Mr M some additional trouble, upset and inconvenience. And it wasn't unreasonable for him to ask for his cancelled policy to be reinstated rather than him having to take out a new one which wasn't his favoured option. Overall I think an award of some compensation is fair.

Taking everything into account, including Mr M's failure to read his post and the level of awards we make, I agree with the investigator that an award of a total of £200 compensation would be fair in this case.

So, as Be Wiser has already waived a cancellation fee of £97.57, I think it's reasonable for it to now pay Mr M an additional £102.43 compensation.

### **my final decision**

I uphold this complaint. To put things right I require Be Wiser Insurance Services Ltd to pay Mr M an additional £102.43 compensation.

Be Wiser must pay the compensation within 28 days of the date on which we tell it Mr M 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.

If Be Wiser considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr M how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 February 2018.

Stephen Cooper  
**ombudsman**