

complaint

Ms S complains that Be Wiser Insurance Services Ltd didn't pass on to the underwriters of her car insurance policy the fact that she'd had an accident in 2015 when it set up the policy in September 2016. As a result the insurer reduced its payment to her following an accident in 2017. She would like Be Wiser to make good the loss and confirm that any non-disclosure was its responsibility.

background

Ms S's policy was set up during 2 telephone calls. No recording is available of the first of these calls. Ms S is adamant that she told Be Wiser about the 2015 accident, but it had no record of it.

The investigator thought the complaint should be upheld. She noted that the second call was because Ms S had found a cheaper quote elsewhere, so the focus of that conversation was on whether Be Wiser could match the deal she'd been offered. It was able to offer her a policy with a different insurer on competitive terms that she accepted. During the call Be Wiser's agent asked Ms S to confirm that she had already provided details of all accidents, which she did. So the investigator was satisfied that the discussion about Ms S's claims history took place during the first call when the accident was probably disclosed.

The investigator accepted that the policy documents Be Wiser had sent Ms S included a request that she check their accuracy and that there was no reference to the 2015 accident in them, but she was satisfied that Be Wiser was fully aware of the accident at the inception of the policy. First because it checked the CUE insurance database where the accident was recorded. Secondly Ms S provided evidence of her no claims discount which included the 2015 accident.

As a result of the undisclosed accident, the underwriter reduced the amount it paid to Ms S in settlement of her 2017 claim. The investigator asked Be Wiser to reimburse this and pay Ms S £200 for the trouble and upset its failure to notify the insurer of the accident had caused. She also asked Be Wiser to provide Ms S with a letter confirming that the failure to disclose the 2015 accident was due to its error rather than a failure by Ms S to disclose it.

It is this last recommendation that Be Wiser wishes an ombudsman to review. It argues that, although the claim Ms S made following the accident has been recorded on the CUE data base, the fact that the amount paid to Ms S was reduced due to non disclosure has not been. So Be Wiser queries the need for such a letter.

my findings

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

I agree with the investigator and find that, on the balance of probabilities, Ms S did disclose the 2015 accident. This is consistent with the second call, where the agent didn't feel the need to go through Ms S's claims' history again. Conversely, in the absence of that first call, there is no evidence that Ms S was asked a clear question about previous accidents. I also take into account that the accident was readily disclosed as part of Ms S's NCB evidence. I think she was open about her claims history throughout her dealings with Be Wiser. I'm satisfied that the failure to pick up the absence of the accident on the statement of fact Be

Wiser sent her was an oversight on Ms S's part which, given she had disclosed the accident during the call and when providing proof of her NCB, was understandable. I think it is more likely that the agent Ms S spoke to during the first call forgot to record or pass on the information Ms S had provided about her claims history.

It follows that Be Wiser should now make good the financial loss. I also agree that an award for trouble and upset of £200 is fair, given the additional problems Ms S had to deal with in the aftermath of the accident.

Turning then to the issue of whether Be Wiser should provide Ms S with a letter accepting that it failed to pass on the information about the accident to the insurer, I think this is a reasonable request. Ms S has already explained the level of upset and anxiety caused by the assertion that she hadn't told her insurer about the earlier accident. Be Wiser accepts that such a letter will provide Ms S with a level of reassurance. Its argument is that such reassurance isn't necessary because the information won't appear on the CUE database.

Failure to disclose a previous claim or accident can have a significant effect on the cost of car insurance. Quite aside from the information recorded on the CUE, a broker or insurer may have a number of subsidiary questions about claims history which the customer needs to answer accurately. At the moment Ms S could potentially find herself in the position of having to disclose the fact that a previous insurer reduced the amount payable on the claim because she hadn't given full disclosure.

I think it is fair and reasonable for Be Wiser to provide Ms S with a letter confirming the findings this service has made. First it will give her peace of mind. Secondly if, in the future, there is any suggestion she didn't disclose the 2015 accident, she will be in a position to prove otherwise.

my final decision

I uphold the complaint. I require Be Wiser Insurance Service Limited to:

- Reimburse Ms S the amount deducted from the settlement of her claim following the accident on 17 June 2017, along with simple interest of 8% a year from the date she received the settlement from the underwriters until the date of payment;
- Pay Ms S £200 for trouble and upset;
- Within 14 days of the publication of this decision, confirm in writing to Ms S the finding of this service that, at the inception of the policy, she did disclose her previous claims history in full and that this unfortunately was not passed to the underwriters of her policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 5 February 2018.

Melanie McDonald
ombudsman