

complaint

Mr C complains that Be Wiser Insurance Services Ltd recorded his vehicle's registration number incorrectly at the point of sale and did not refund the premium following the cancellation of a new policy within the cooling off period.

background

Mr C attempted to tax his vehicle but the online system said he did not have valid motor insurance. He contacted Be Wiser and it said it had incorrectly recorded his vehicle's registration number on the policy. After amending the policy the correct registration number became an unacceptable risk to the insurer and the policy was cancelled. Mr C immediately took out a new policy through Be Wiser to remain insured. The new policy was credited with his overpayment on the old one.

Mr C subsequently obtained a cheaper quote with a different insurer and sent an email to Be Wiser asking for his new policy with it to be cancelled and - as this was within the cooling off period – for a refund of the premiums he had paid. Be Wiser cancelled his new policy but would not give a refund as it said it had been cancelled outside the cooling off period. Mr C complained to Be Wiser and in its final response letter it said it would be prepared to back date the cancellation of his new policy with it to the date Mr C started his insurance with the new insurer if he was able to provide a copy of the certificate of insurance with his new insurer.

Our adjudicator recommended that the complaint should be partly upheld. In summary she considered that:

- Be Wiser had acted fairly and reasonably in offering to backdate the cancellation of Mr C's policy to the date his policy with his current insurer started. As it is illegal for a motor vehicle to be driven on the road without insurance Be Wiser had asked for a copy of Mr C's motor insurance certificate from his new insurer to ensure that the vehicle was continuously insured. It was reasonable for it to ask for this before it backdated the cancellation.
- But Be Wiser could have acted differently when it originally received proof of Mr C's No Claims Bonus as it was aware that there was a difference in the registration number that was shown on his policy. It would have been reasonable for it to have followed up its communication with Mr C to ensure it obtained a response particularly as it would have known that the incorrect registration number would not be acceptable to the insurer.
- As a result Mr C had been inconvenienced. Although Be Wiser had increased its offer of compensation to £50 Mr C had lost out on one year's No Claims Bonus which increased the amount he had to pay for his insurance and he had incurred unnecessary phone and postage costs. As such £100 compensation was reasonable.

Be Wiser does not agree. In summary it says it has fulfilled its duties when dealing with Mr C's policy and £50 is more than adequate and proportionate to the distress and inconvenience caused. Mr C did not agree with the adjudicator and said he had suffered financial losses which should be taken into account. Both parties asked for an ombudsman review.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I do not accept that the obligation for ensuring that the registration number of the vehicle was correctly shown on the policy rested solely with Mr C. Be Wiser also had an obligation to record it correctly.

In this case it had not done so. When the error came to light I agree with the adjudicator that it could and should reasonably have done more to follow up its initial communication to Mr C to ensure it got a response from him. Particularly as it would have known of the potentially serious consequences flowing from the error including the fact that the insurer may not be prepared to insure the vehicle once the correct registration number was known.

But I accept that Be Wiser acted reasonably in asking to see a copy of Mr C's motor insurance certificate from his new insurer before it backdated the cancellation of Mr C's policy to the date his policy with his current insurer started.

Overall, I consider that Mr C has been caused some upset and inconvenience by Be Wiser's handling of matters which warrants a payment of some compensation. I note it has offered to pay him £50 and our adjudicator has recommended an award of £100.

Taking into account all of the circumstances (including the fact that Mr C had some responsibility to check his insurance documentation and having also taken note of his suggested financial losses) and the level of award we make, I am not persuaded that an award of £100 compensation is unreasonable. So, I see no compelling reason to change the proposed outcome in this case.

my final decision

My decision is that Be Wiser Insurance Services Ltd should, if it has not already done so, pay the sum of £100 to Mr C.

Stephen Cooper
ombudsman