

complaint

Mr D and Mrs K have complained that Be Wiser Insurance Services Ltd cancelled their motor insurance policy, didn't refund them enough money and refused to pay their claim.

background

Mr D and Mrs K bought a policy through Be Wiser in 2013. When their renewal was due in 2014 Be Wiser told them it had found a cheaper policy through another insurer. After Mr D and Mrs K's policy renewed Be Wiser wrote to Mr D and Mrs K in October 2014 and said they'd made claims on previous policies that they hadn't told Be Wiser about. Even though they'd paid their premium in full this meant they owed Be Wiser another £277.

Mr D contacted Be Wiser on 10 November 2014 and discussed all their previous claims. Be Wiser said it had sent the information to the insurer and would contact him when it replied. Mr D said he phoned Be Wiser on 6 December 2014 and it told him it hadn't heard anything so everything was fine. Mr D and Mrs K went abroad a couple of days later.

Be Wiser said it didn't tell Mr D everything was ok. It wrote to Mr D and Mrs K on 19 November 2014 and 27 November 2014 to ask them to get in touch and to warn their policy was at risk of being cancelled. It also said it had written to Mr D and Mrs K four times during December 2014 to say their policy would cancel unless the outstanding premium was paid. It said Mrs K contacted Be Wiser on 24 December 2014 and said she would pay the outstanding premium in instalments starting on 2 January 2015.

Mr D said he received a text on 5 January 2015 asking him to contact Be Wiser urgently. He said he replied by email to say he was abroad and would contact Be Wiser when he returned. Mr D said Be Wiser didn't reply. Mr D said when he and Mrs K got home they'd only got one letter asking them to contact Be Wiser and this was dated 18 December 2014.

When Mrs K didn't make the payment by 2 January 2015 Be Wiser wrote to Mr D and Mrs K on 3 January 2015 to say their policy would be cancelled in seven days. Be Wiser wrote to Mr D and Mrs K on 16 January 2015 to tell them their policy had been cancelled from 11 January 2015.

Mr D said he found out his policy was cancelled when he phoned Be Wiser in March 2015 to report an accident. Be Wiser said he wasn't covered because the policy had already been cancelled. Be Wiser said Mr D and Mrs K were due a refund of £59.77. Mr D and Mrs K complained to Be Wiser. They said Be Wiser shouldn't have cancelled their policy and should pay their claim. They were also unhappy with the amount it had refunded them.

Be Wiser thought it had done enough to let them know about the cancellation. But as a gesture of goodwill it said it would reduce the amount Mr D and Mrs K owed so it would refund them £186.72.

Mr D and Mrs K were still unhappy with this and brought their complaint to us. The adjudicator thought it was reasonable for Be Wiser to have cancelled Mr D and Mrs K's policy. She also thought the amount it had refunded them was reasonable. And she didn't think Be Wiser was responsible for contributing towards the costs of their accident. Mr D and Mrs K didn't agree. They said Be Wiser hadn't cancelled the debt for the outstanding premium and hadn't sent them their refund. They 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'm not going to uphold it.

Be Wiser was Mr D and Mrs K's broker. In this decision I've considered whether it was right for Be Wiser to cancel Mr D and Mrs K's policy and the amount it charged them. Be Wiser would never have been responsible for paying Mr D and Mrs K's claim.

When Mr D and Mrs K's policy renewed they needed to make sure they gave Be Wiser all the information about their previous claims. Mr D said he'd told Be Wiser about these before, as they were on his own policy so didn't think he needed to tell it about them again. Even if the claims were on Mr D's own policy, he and Mrs K needed to make sure they still told Be Wiser about them when buying this policy. And I haven't seen anything that shows Mr D or Mrs K contacted Be Wiser to say the claims were missing from either the renewal or policy documents.

If Mr D and Mrs K had told Be Wiser these claims were missing their premium would have been higher from the start. So, I think it was reasonable for Be Wiser to pass on the additional premium from the insurer.

Be Wiser's terms and conditions say it can cancel Mr D and Mrs K's policy if they don't pay their instalments.

I've considered whether Be Wiser did enough to tell Mr D and Mrs K that it would cancel their policy. I think it did and I'll now explain why. I've seen the letters Be Wiser sent to Mr D and Mrs K in November 2014. The first of these asked them to get in touch and the second said their policy was at risk of being cancelled if they didn't get in touch. Mr D said he phoned at the beginning of December 2014 and Be Wiser told him everything was fine. Mr D and Mrs K said they didn't hear from Be Wiser again until they received a text on 5 January 2015.

Be Wiser wrote to Mrs K on 2 December 2014 to ask her to pay the additional premium. So, I don't think it's likely it would have told Mr K everything was ok with the policy on 6 December 2014. But even if I accepted it did say that, Be Wiser said Mrs K phoned on 24 December 2014 to set up a payment plan. Mr D and Mrs K said they didn't do this but I've seen the call note from Be Wiser's system that shows this happened, so on balance I think she did call. I think from that point, it's likely Mr D and Mrs K knew they needed to pay the additional premium.

Be Wiser wrote to Mrs K on 3 January 2015 to say her policy would be cancelled in seven days. I can see Mr D emailed Be Wiser on 5 February 2015 but didn't receive a reply. I think it would have been helpful if Be Wiser had replied to this email. But given Mr D and Mrs K knew they owed Be Wiser money I think it would have been reasonable for them to have called Be Wiser as they didn't get a reply. Overall, I'm satisfied Be Wiser did enough to let Mr D and Mrs K know their policy would be cancelled. And I don't think it did anything wrong by cancelling it.

I can see Be Wiser wrote to Mrs K on 16 January 2015 to say the policy had been cancelled. Mr D and Mrs K complained that Be Wiser didn't send them their refund at that point. But the cancellation letter explains this can take 60 days as it has to get the refund from the insurer

in order to reimburse Mr D and Mrs K. And Be Wiser's letter was clear that it had cancelled the policy. So, I don't think it's Be Wiser's fault if Mr D and Mrs K drove after that date. That means I don't think Be Wiser's responsible for any costs Mr D and Mrs K incurred by having an accident.

Be Wiser initially said Mr D and Mrs K were due a refund of £59.71. They were charged £174.77 for the time they were provided with cover, £46.56 administration charge, £133.90 cancellation fee, £25 mid-term adjustment and £25 late payment fee due to the claims not being declared at the start of the policy. As Mr D and Mrs K were unhappy with that Be Wiser agreed to reduce the cancellation fee to £66.95 and to remove the mid-term adjustment and late payment fee.

Be Wiser's terms and conditions set out its charges. I think the cancellations fees could be confusing as they are described as "*net return given by your insurers less our charge of 20%*". But I think it's fair for Be Wiser to charge reasonable administration costs for setting up and cancelling Mr D and Mrs K's policy because it carried out those tasks. I think it was fair for Be Wiser to reduce the charges as it did so I won't be asking it to reduce it further.

Mr D and Mrs K said Be Wiser continued to chase them for their outstanding premium even though it had cancelled their policy. I can see Be Wiser asked them for £277 in March 2015 but Be Wiser said it had since issued a cheque for £186.72 which had been returned to it on 6 January 2016. I'm satisfied Be Wiser has amended its records to record the correct settlement amount and will reissue the cheque for £186.72 if required.

my final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs K to accept or reject my decision before 24 February 2017.

Sarann Taylor
ombudsman