

complaint

Mr G complains that, some weeks into his motor insurance policy, Be Wiser Insurance Services Ltd gave him the choice of either paying an extra £167 on the premium or a £60 cancellation fee.

background

Mr G took out a policy through Be Wiser. He told Be Wiser that he didn't have a no claims discount (NCD) because he'd had a trade policy for the previous nine years. The adviser said the underwriters might be able to take that into account instead. The premium was set on the basis of a nine year NCD at £244. The underwriters didn't agree to give him an NCD. Be Wiser only confirmed this on 4 December, some weeks into the policy. The adviser gave him the choice of paying another £167 to keep the policy or £60 to cancel it. Mr G decided to cancel. When he complained Be Wiser agreed to waive its cancellation fee. It later agreed to give him a full refund, but there was a delay in making this payment.

The adjudicator thought the level of service Mr G had received from Be Wiser wasn't very good. He recommended that Be Wiser should pay Mr G a total of £250 including the money it had refunded. Be Wiser hasn't let us know one way or the other whether it accepts this recommendation, so the case has come to me for a final 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.

The initial information Mr G was given was confusing and misleading, in the sense that he was given the impression he would be given credit for a nine year NCD, which was unlikely. It also took Be Wiser ten days to refer his case to its underwriters. Realistically there was only a very small chance that they would agree to treat Mr G as if he had a nine year NCD. There was then a further delay, during which Mr G was asked for more information, although he'd set out his situation clearly enough to begin with. He was then confronted with a choice which involved extra expense either way. Because of Be Wiser's delay the fourteen day cooling off period had passed, making it more expensive for him to cancel. There was then further delay by Be Wiser in dealing with his complaint and paying the refund it had eventually promised him.

Taking all this into account I consider the adjudicator's recommendation that Be Wiser should pay Mr G a total of £250 is sensible. It ensures that he hasn't suffered any financial loss and includes a modest payment for the trouble and upset which, I have no doubt, was caused when he was given the choice of paying a much higher premium or a hefty cancellation fee.

my final decision

I uphold the complaint. I require Be Wiser Insurance Services Ltd to make up the payment it has already made to Mr G to a total of £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 July 2016.

Melanie McDonald
ombudsman