

complaint

Miss B is complaining that Be Wiser Insurance Services Ltd (Be Wiser) took two further payments for her car insurance policy after she cancelled it.

background

Miss B contacted Be Wiser to cancel her car insurance policy because she'd scrapped her car. Be Wiser cancelled the policy and wrote to her to confirm this. But it later took two further payments of £41.30 from her account. Miss B complained that it had done so.

Be Wiser said that Miss B initially complained that it was going to charge her to cancel the policy. Following this, it reduced the amount it charged her by reducing its administration charges. But it said that it explained to Miss B that there was an outstanding balance. It thought it had acted fairly in reducing its administration charge.

I issued a provisional decision not upholding this complaint. I said that I thought Be Wiser could've been clearer in explaining that it would take the payments from her account and I noted that in its last letter it asked Miss B to contact it to arrange the payment. So I thought it was arguable it should've waited some time for Miss B to contact it. But Miss B didn't contact Be Wiser. And I said that the terms of business allowed it to take the payment:

"Cancellation

Please note if you have elected to pay by instalments these will continue to be collected unless you settle the outstanding balance in full".

I said that Be Wiser set this out in the letter sent to Miss B when the policy started and again when it wrote to her to confirm the policy was cancelled. So I said that I didn't think Be Wiser acted unfairly in taking these payments. And I thought Miss B was aware she needed to pay this.

I also said that Be Wiser waived a significant part of its administration charges. Under the terms of the policy, Be Wiser charged £79.73 to set up the policy and it was allowed to charge £75 as a fee to cover the administration of cancelling the policy. So in total, Miss B owed Be Wiser £154.73 in administration charges. But Be Wiser reduced this charge to £26.38 – waiving £128.35 in charges.

So, while Be Wiser could've possibly done more to explain that it would take the two payments, I didn't think Miss B has lost out. And I thought Be Wiser had already done more than it needed to in reducing its administration charges.

I also thought Be Wiser had correctly calculated what Miss B owed. I said that Miss B took out a number of additional policies (hire car and roadside assistance) alongside her car insurance policy which she had to pay for in full. I said Miss B didn't have a monthly policy – where you pay for insurance on a monthly basis. She took out an annual policy that's paid for by an annual premium which she paid through finance – hence paying for it on a monthly basis.

I said that it's not unusual that there's an outstanding balance on a policy after it's cancelled, which is usually due to administration charges. Miss B was entitled to a refund on her annual premium on her car insurance policy, but not on the additional products she took out. She didn't get a refund for this because they were very low cost. And the administrative cost in cancelling them would've been more than a premium refund. So I didn't think it was unfair Be Wiser didn't give her a refund for this.

Ultimately, I was satisfied that Be Wiser had calculated what Miss B owed on the policy correctly. And I noted Miss B told the adjudicator that she accepted this was the case.

Be Wiser accepted my provisional decision. But Miss B didn't agree. She didn't think that Be Wiser should've taken money from her account. She says she could've got into financial difficulties had she'd not got enough money to cover this. She's also unhappy that it didn't write to her after it took the money.

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've taken Miss B's comments into account, but I've reached the same conclusion.

I note Miss B says that she could've got into financial difficulties had she'd not had enough money to make the payments. But she owed this money. And she was always going to have to pay it. Be Wiser asked her to contact it to make the payment and she didn't do so. I can't say that she's lost out. And, as I said in my provisional decision, it was entitled to take these payments under the terms of the policy.

Miss B says that Be Wiser didn't write to her. Be Wiser wrote to her a number of times to say that she owed it money after the policy was cancelled. I note it didn't write to her again after it took the payments. But I don't think it needed to. So I can't say that it's done anything wrong in this respect.

Ultimately, I still think Be Wiser told Miss B she still owed money towards the policy after it was cancelled. And Miss B was aware of this. The terms of her policy allowed it to take the payments, so I can't say that it's done anything wrong. And I also think it acted fairly to Miss B in waiving the majority of its administrative charges.

my final decision

For the reasons I've set out above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 28 December 2017.

Guy Mitchell
ombudsman