

complaint

Mr S is unhappy with the service he received from Be Wiser Insurance Services Ltd when he applied for a car insurance policy.

background

Mr S applied for car insurance through Be Wiser on 26 September 2016 and received confirmation that the policy had been set up on the same day. Be Wiser sold him the policy on behalf of an insurer.

On 28 September Be Wiser contacted Mr S by email asking for certain documents to support his application, which the insurer had asked for. It said that if the documents weren't provided by 5 October his policy would be cancelled.

Mr S replied by email the next day with what he believed was the documentation required. Be Wiser says this email didn't include everything the insurer needed. It says it contacted the insurer on 1 October, provided the information supplied, and asked it how to proceed. It says it didn't receive a response from the insurer and so proceeded with the cancellation on 6 October as the insurer had instructed.

Mr S says he didn't receive an acknowledgement of his email of 29 September and that the next time he heard from Be Wiser was on 6 October when it confirmed that his policy was cancelled because he hadn't supplied everything required. He contacted Be Wiser immediately questioning this and it responded on 7 October confirming the cancellation but also explaining that it would reinsure him if he provided further documentation.

Mr S sent this documentation back on the same day and received a seemingly generic email from Be Wiser on 10 October reiterating that his policy was cancelled. It didn't respond to the additional information he'd provided. After Mr S queried this, Be Wiser confirmed that before it could 'reinstate' his policy it would need a copy of all pages of his V5 certificate. And it reiterated this in an email of 12 October. But rather than reinstating the same policy, Be Wiser had actually sourced a policy through another insurer on its panel that required the full V5 certificate before offering cover. The original insurer hadn't needed this.

Mr S sent a copy of the full V5 certificate to Be Wiser on 27 October and contacted it shortly after to reinstate his cover. He was quoted a premium three times higher than the original one and felt he had no choice but to go elsewhere for his insurance. He then raised a complaint about the cancellation and the inconvenience he'd suffered as a result. Be Wiser didn't think it had made a mistake but agreed to waive its cancellation fee of £45.

Mr S brought his complaint to us and it was considered by an investigator. He thought it was unfair that Mr S's policy had been cancelled and thought Be Wiser should've contacted Mr S when it realised he hadn't sent all the information the insurer needed. The investigator asked Be Wiser to pay £300 compensation to put this right. He also contacted the insurer separately about the record of the cancellation. This was understandably a concern for Mr S as it could have impacted the cost of his car insurance going forward. The insurer has since agreed to alter the status of the policy from 'cancelled' to 'replaced' which should mean that Mr S's premiums aren't affected.

Mr S accepted the investigator's assessment but Be Wiser didn't think that £300 compensation was fair. It said that Mr S could have done more to lessen the impact of the

cancellation on him, specifically by getting insurance elsewhere. The complaint was then passed to me to consider.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And having done so I think Be Wiser did do something wrong and should pay Mr S £300 to put things right. I'll explain why.

When Mr S replied to Be Wiser's initial request for documentation he didn't send back everything the insurer needed. Whilst Be Wiser sent the information Mr S provided to the insurer and asked what to do next, it didn't let Mr S know that some information was still missing. It didn't clarify what was still needed until after the policy had been cancelled and when this was clarified, Mr S provided the information on the same day.

Be Wiser has said that the insurer didn't respond to its email of 1 October. It's said that it works under the instruction of the insurer and it's unable to change the insurer's decision on whether to cancel a policy.

I accept this, but Be Wiser knew that Mr S hadn't sent sufficient documents and it could've gone back to Mr S and chased the insurer for a response, bearing in mind the timescale before the cancellation. I think if it had, considering how promptly Mr S responded to requests for information, that it's most likely the policy wouldn't have been cancelled.

Be Wiser has said its original terms of business, sent at the time of the application, gave more detail about what documentation Mr S needed to provide. And that had Mr S read this he would've known what to provide the first time. But I still think Be Wiser should have done more once it realised the information Mr S had sent, wasn't sufficient. Especially as I think it was clear that Mr S thought he'd provided everything required. And it's for this reason that I don't think it's fair his policy was cancelled.

So I now need to consider what the impact of this has been on Mr S.

Following the cancellation Be Wiser found alternative cover for Mr S but the new insurer needed the full V5 certificate. There was around a three week delay between the cancellation and when Mr S received the full V5 certificate and got a new quote from Be Wiser. Mr S has said that he was really inconvenienced during this time because he needed his car for his work and had to travel between several different locations. He had to rely on the goodwill of others to take him from place to place, along with taking taxis, and he says he couldn't carry out his duties satisfactorily.

Be Wiser thinks Mr S should have obtained alternative insurance rather than waiting for the V5 certificate and the quote it then provided. I don't agree with this. During the three week period Mr S was trying to resolve things with Be Wiser. Not only trying to reinstate the insurance policy he'd originally been offered but also dealing with the cancellation which he didn't think was fair.

I've seen emails from Be Wiser confirming that Mr S's policy would be 'reinstated' on receipt of the V5 certificate. So I do think Be Wiser gave him the impression that once the certificate was provided his policy would be reinstated – but this isn't what happened. I don't think it was made clear that Be Wiser had sourced a policy with a different insurer that required the full certificate, when the original insurer hadn't. I think the delay would've been avoided if the original policy hadn't been cancelled.

Mr S may have also felt that he couldn't go elsewhere as declaring the cancellation would likely have impacted the cost of his insurance – so I can understand why he persevered in trying to sort this out with Be Wiser before sourcing other insurance; and I don't think that's unreasonable. It was only once Mr S received a much higher quote from Be Wiser (and had the full V5 certificate), that he decided he had no choice but to go elsewhere.

Overall I think that the three week delay and inconvenience caused links back to the initial cancellation – which Be Wiser could've prevented. So I think Be Wiser should pay Mr S £300. I've taken into consideration the initial stress and confusion caused by the cancellation and the inconvenience and disruption to Mr S's work and everyday life.

my final decision

I uphold this complaint and require Be Wiser Insurance Services Ltd to pay Mr S £300 to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 July 2017.

Lauren Long
ombudsman