

complaint

Mr D complains that his motor insurance policy was mis-sold to him by Be Wiser Insurance Services Ltd.

background

Mr D took out a motor insurance policy through Be Wiser Insurance Services Ltd. His No Claims Bonus ("NCB") had expired two days before he bought the policy and he was aware he needed an insurer who would accept evidence of a NCB being within three years of the last insurance policy. Mr D says he made this clear to the sales advisor and he was told his NCB was acceptable. A few days later Be Wiser contacted Mr D to tell him that the policy underwriter did not accept the NCB and his policy was cancelled. Mr D eventually found another insurer who accepted his NCB, but he complains that Be Wiser mis-sold the policy to him.

Be Wiser has been unable to locate the sales calls, but made an offer of settlement. It said it would waive its commission and administration charges and only retain the sum for the insurer's time on cover. It later advised that it had spoken to the policy underwriter who agreed to a further refund of the policy premium, as the initial refund seemed minimal for the amount of time on cover.

Mr D agreed to accept the additional refund of premium from the policy underwriter, but said that he still wanted the mis-sale complaint to be reviewed. Be Wiser stated that the offer was in full and final settlement of the complaint.

Our adjudicator recommended that the complaint should be upheld. In summary she considered that Be Wiser had not provided any evidence to support its stance that the policy had not been mis-sold, or that the commission and cancellation charges had been clearly explained to Mr D in the sales call. It had also not made it clear to Mr D that its offer was in full and final settlement. She recommended that Be Wiser should waive its commission and charges and refund them with interest at 8% simple a year. It should also pay Mr D the sum of £150 for the distress and inconvenience caused.

She also considered that the time on cover charge was a separate complaint against the policy underwriter and she believed that the actual mis-sale complaint had not been fully addressed by Be Wiser. Mr D agreed to complain to the policy underwriter directly about the sum he had been charged for time on cover.

Be Wiser has said that it cannot provide a transcript of the actual sales call but it has provided a copy of the script that it says would have been used. Mr D would have been offered the option of having the policy's terms and conditions read to him and they set out the cancellation and administration charges. They were also sent to him as part of the welcome pack. It has already waived its charges and arranged a further refund of premium from the insurer. It considers a payment of £75 compensation to be more realistic. It has 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.

Mr D says the policy was mis-sold to him and so we consider it is for Be Wiser to provide evidence that the policy has been correctly sold and that the relevant charges and fees were made clear to Mr D in the sales call.

Be Wiser is unable to provide a recording of the sales call but has supplied a copy of its generic sales script which it says its operator's follow. But the simple facts remain that this document does not prove exactly what was said to Mr D at the time of sale of the policy and, notwithstanding that he was invited to have the terms read to him and he was subsequently sent them as part of his welcome pack, that the various charges were specifically drawn to his attention at the time of sale.

The policy's underwriter also says it does not accept NCB, as it does not run a bonus scheme. On balance this also suggests that the policy was mis-sold as Mr D required an insurer to accept his NCB and this underwriter did not.

Overall, I therefore see no compelling reason to change the proposed outcome in this case. But I note that Be Wiser has already waived its commission and arrangement fees. Mr D has however, clearly been caused some distress and inconvenience, both in his dealings with Be Wiser and in having to arrange new insurance. Taking account of all the circumstances and the modest level of award we make, I agree with the adjudicator that a payment of £150 compensation is fair and reasonable. I also consider that Be Wiser should send Mr D a letter of apology for mis-selling the policy.

my final decision

My final decision is that I uphold this complaint and I order Be Wiser Insurance Services Ltd to pay Mr D the sum of £150 compensation and send him a letter of apology.

Stephen Cooper
ombudsman