

complaint

Mr R has complained about difficulty in getting a refund from his insurance broker, Be Wiser Insurance Services Ltd, after cancelling his motor insurance policy.

background

Mr R wanted to cancel his motor policy about a month before it was due to end because he no longer owned the car insured under the policy. Be Wiser told him he wouldn't get a refund because it doesn't refund amounts under £50, and this was stated in the terms of the policy.

Mr R complained to Be Wiser about this, and it decided to give him a refund as a goodwill gesture. It told him that refunds can take up to 60 days to come through. Mr R complained to the company about it taking so long and asked for interest on the delayed payment. Be Wiser speeded up the payment and made it less than a week after the cancellation.

Mr R thought Be Wiser had been trying to keep money from him and complained to us. The adjudicator who investigated the complaint didn't think Be Wiser had done anything wrong. Mr R didn't agree and so his complaint came to me to decide.

My findings

When Mr R took out his policy Be Wiser sent him a short Key Facts document which set out the terms for cancelling the policy. Amongst other things it said:

"We reserve the right not to issue return premiums under £50."

Mr R's refund would have been £59.48 for the time left on his policy. But after Be Wiser had deducted their cancellation charge and commission, the amount went down to £41.63. Mr R replied to Be Wiser saying he'd accept that amount.

I think it's clear that Mr R wasn't entitled to that refund as it was less than £50 and the terms of his policy say that Be Wiser reserves the right not to refund amounts under £50.

However Be Wiser decided to offer a refund as a goodwill gesture. Mr R wasn't happy that it might take up to 60 days for him to receive it and thought that Be Wiser was profiting at his expense. Because it was a goodwill gesture and not an entitlement, I don't think Be Wiser had to send it to Mr R in less than 60 days or pay interest.

In any event I can see that Be Wiser understood he was anxious to receive the money as quickly as possible, so it speeded up the payment and made it less than a week after the cancellation. So I don't think Mr R actually lost any money as a result of delay and I don't think Be Wiser needs to pay him any interest.

Be Wiser had payment card details on its files for Mr R, because he'd previously paid it with a card, and it issued the refund to that card. Mr R has complained that he asked for a cheque. However Be Wiser explained that cheques take longer, and I can see that Be Wiser was trying to meet Mr R's request to be paid as quickly as possible. Again, I think that as this refund was a goodwill gesture and not an entitlement, Be Wiser didn't have to send a cheque.

I appreciate that this will be disappointing to Mr R but I don't think Be Wiser has done anything wrong.

my final decision

For the reasons given above it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr R to accept or reject my decision before 1 September 2015.

Sandra Webber
ombudsman