

complaint

Mr T complains that Be Wiser Insurance Services Ltd (Be Wiser) has provided poor customer service and not set up an insurance policy properly. He says that's left him unknowingly uninsured and he wants Be Wiser to compensate him for the trouble he's had.

background

Both parties know what's happened in this complaint. In summary:

- Mr T and his neighbour jointly own the freehold of the building that houses their flats.
- Mr T says his neighbour set up a building insurance policy that covered her and Mr T as policyholders.
- Be Wiser is the intermediary selling the insurance, which is provided by a large insurance company.
- When Mr T contacted Be Wiser about the policy he was continually asked to give his neighbour's details before Be Wiser would talk to him, if it did at all. After he complained he was told that he would no longer be asked to do this as he was a joint policy holder. Unfortunately his problems continued.
- Be Wiser sent correspondence meant for Mr T to his neighbour – and also contacted him about things personal to his neighbour.
- Mr T said that at one point Be Wiser stopped communicating with him, and only contacted him again after he brought his complaint to us.
- Eventually Mr T contacted the insurer direct and found he wasn't insured. Be Wiser acknowledged it had set the policy up incorrectly, although it's not explained exactly what happened.
- Mr T didn't receive a refund promised in June until mid August.

Our adjudicator thought Mr T's complaint should be upheld. She recommended that Be Wiser made sure it checked communications sent to either Mr T or his neighbour, refund Mr T his half of the insurance premium (about £150) and pay £400 compensation for the way it had treated him.

Be Wiser doesn't think the compensation is fair. It says Mr T would have been covered if he'd made a claim, and that as it's had to carry the cost of some of the refund, the compensation amount is too high. It thinks the return of the premiums paid by Mr T and his neighbour is sufficient compensation.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr T has told us about the frustration he's suffered because of Be Wiser's mistakes. There's no reason for me to doubt that what he says happened did occur. Be Wiser hasn't sent us

much information, but does acknowledge it's made mistakes. Without going through all the points Mr T raised I agree he's been badly treated.

Be Wiser's objection to the redress recommended is mainly about the amount of compensation. I think our adjudicator's recommendation is appropriate. For the sake of clarity I'll comment on each part.

checking future communications

Some of this complaint is about Be Wiser sending emails and making phone calls to the wrong people. That's meant Mr T's been left not knowing whether or not Be Wiser was dealing with his problems and caused, understandably, a great deal of frustration. It's also meant his personal information has been sent to someone else, which could have serious consequences.

Our adjudicator recommended Be Wiser continue to check how it corresponds with Mr T in the future. She was reflecting a promise that Be Wiser made. But this service can't *make* Be Wiser take care on an ongoing basis, because it can't supervise what it does day to day. If Be Wiser continues to make errors, then Mr T will likely have grounds for a new complaint.

refunding premiums

Be Wiser agrees it set this policy up incorrectly. It hasn't said why or what it did wrong, but it's meant Mr T's had no cover for some time. To put this right, Be Wiser needs to return Mr T to the position he'd have been in if it hadn't made the mistake. A full refund of the premium he paid is one way to do this.

Be Wiser promised the refund in June. It's given no proper explanation why it took until August to pay Mr T. That's an unacceptably long time.

compensation

The compensation recommended is for all the trouble and inconvenience Be Wiser has caused, plus the worry Mr T says he's had trying to find out if he was insured and then discovering he wasn't.

Be Wiser has given two reasons why it shouldn't pay compensation.

It says that refunding Mr T's half of the premium – and the premium his neighbour paid – is enough. But – as I said above – the refund only puts him financially where he was before Be Wiser set the policy up incorrectly. And refunding the neighbour's premium doesn't compensate Mr T for the trouble and upset he's had.

Be Wiser also says *it* hasn't been able to get a full refund of premiums from the insurer. It says that's because the insurer would have met any claim Mr T made. I don't know if that's true as, fortunately, Mr T didn't have to claim. But the fact that Be Wiser is out of pocket with regard to the refund doesn't mean Mr T should get less compensation.

Be Wiser also says it doesn't see how it could have known it had set the policy up incorrectly in April, as it wasn't aware of this until some time later. I don't think that's a good enough reason to reduce the compensation. All along Mr T has been trying to check details on the policy and in April it responded to a complaint about whether he was properly included on it.

I don't see how Be Wiser *can't* have been aware that there were at least some problems with the way the policy was set up – and I think it should have checked with the insurer then, if not earlier, that the policy was correctly set up.

Furthermore Mr T didn't get Be Wiser's response in April as Be Wiser sent it, wrongly, to his neighbour. That alone led to several further months of frustration for Mr T.

Overall, I'm satisfied that £400 compensation is fair.

my final decision

My decision is that I uphold this complaint. I order Be Wiser Insurance Services Ltd to:

Pay Mr T £400 compensation. Be Wiser Insurance Services Ltd must pay this within 28 days of the date which we tell it Mr T accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision until the date of payment at 8% per year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 10 October 2016.

Sue Peters
ombudsman