

complaint

Mrs H complains that her car insurance policy was voided. She says that Be Wiser Insurance Services Ltd didn't explain that she needed to check with the named driver on the policy, to see whether he'd been involved in any accidents during the year before she renewed the policy.

background

Mrs H was separated from her husband, Mr H, but had agreed for him to be a named driver on her car insurance, in case he ever needed to use the car. In May 2016 she asked Be Wiser to renew her car insurance during a phone call. The adviser she spoke to asked if anything had changed in the last year. She said nothing had. In fact Mr H had had an accident a few months earlier. He hadn't mentioned it to Mrs H because he was using a work vehicle at the time and the claim was dealt with by his employer using their insurance. When Mrs H's insurer found out about the accident it voided the policy for non disclosure.

The investigator asked Be Wiser for the call recordings and other documents relating to the renewal of Mrs H's policy. Apart from a short extract from the recording of the renewal call, Be Wiser hasn't been able to provide the other recordings. It has provided a transcript of the part of the renewal call it relies on as showing that Mrs H was asked a clear question about the driving history of the drivers named on the policy.

The investigator didn't think Mrs H had been asked a clear question. She recommended the complaint should be upheld. She was particularly concerned because Mrs H said that, during one of the calls she made to Be Wiser after the policy was voided, she was told she'd committed fraud, which caused Mrs H particular upset and anxiety. The investigator asked Be Wiser to pay Mrs H £700 for the trouble and upset this caused and also to write a letter confirming that the policy had been voided as a result of its error.

Be Wiser didn't accept these recommendations. It thought its adviser had asked Mrs H a clear question. It also argued that Mrs H had a further opportunity to set the record straight when it sent her the Statement of Fact, asking her to check that the information it contained was accurate. Be Wiser asked for an ombudsman to review the case and so it has come to me.

my findings

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

One of the unusual features of this case is that it's accepted that Mrs H didn't know about Mr H's accident. So when the Statement of Fact said '*please take reasonable care to answer all the questions honestly and to the best of your knowledge*', I think that's exactly what she did.

Having listened myself to the short extract of the renewal call that Be Wiser has sent us, I'm satisfied that she wasn't asked a clear question, in the sense that there was nothing to alert her to the fact that she was specifically being asked about the driving history of both herself and Mr H/ the named driver. It appears that Mrs H had queried the price of the policy. The adviser says she'll see what she can do and asks '*Have there been any changes in the last year?*' to which Mrs H replies '*No, nothing at all*'.

The transcript Be Wiser has provided contains a further exchange at the end of the call, during which the adviser asks Mrs H just to check through the documentation when it arrives and to get in touch if anything is incorrect. The documentation does include details of two other accidents involving Mrs H. The difficulty is that the information in the documentation is accurate as far as Mrs H is concerned but is incomplete as far as Mr H is concerned. Without any reminder that the driving history of the named driver was also important information that the insurer needed to know, there was nothing to alert Mrs H to the need to check with Mr H whether he'd had any accidents during the past year.

Be Wiser says Mrs H should have known the need to do this because of the documentation sent to her in previous years. Without seeing that documentation, which Be Wiser hasn't sent us, I can't form any view as to what Mrs H might or might not have been aware of.

On the evidence that I have seen, at no stage did anyone explain to Mrs H that she needed to answer not only for herself, but also for the named driver. The references to '*changes*' and '*accurate information*' during the renewal call and in the Statement of Fact are very broad and could cover anything from a change of address to change of car. The particular importance placed by insurers on the driving history of anyone driving the car hasn't been highlighted. So I don't think it's surprising that Mrs H answered as she did, nor that she didn't check with Mr H that there was nothing she might need to tell Be Wiser about, before agreeing to keep him on the policy as a named driver.

Be Wiser has waived its cancellation fee. I think it should remove any information it's recorded on internal and external databases relating to the policy having been voided. It should also write a letter confirming that the policy was voided as a result of its error in not asking Mrs H a clear question about the driving history of the drivers named on the policy.

I do have some sympathy for Be Wiser's argument that £700 for trouble and upset is too high. On the other hand I agree with the adjudicator that it was very upsetting for Mrs H to be accused of fraud. I also accept that having the policy voided has caused Mrs H real anxiety and upset. I asked Mrs H if she would agree to accept a lower award and she said she would. Taking everything into account I have decided the appropriate compensation for trouble and upset is £400.

my final decision

I uphold the complaint. I direct Be Wiser Insurance Services Ltd to:

- Remove any record it has placed on either internal or external insurance databases relating to the voiding of the policy that is the subject of this complaint;
- Within fourteen days of the publication of this decision, provide written confirmation to Mrs H that the policy was voided as a result of its error in failing to ask a clear question about the driving history of the drivers named on the policy;
- Pay Mrs H £400 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 6 January 2017.

Melanie McDonald
ombudsman