

complaint

Mr D has complained that mistakes by Be Wiser Insurance Services Ltd with setting up his motor insurance policy led to his car being impounded by the police.

background

Mr D set up a motor insurance policy with Be Wiser which is a broker. Mr D says he added an additional vehicle to his policy but that Be Wiser failed to register this on the industry database. Mr D says as a result he was stopped early in the morning by the police and had his car impounded. He says Be Wiser has refused to pay the fee for retrieving his car and hasn't compensated him for his financial losses or the embarrassment and inconvenience it caused him.

The adjudicator thought Be Wiser had mistakes. She thought the evidence showed Mr D had called to add a vehicle and made a payment to Be Wiser. The adjudicator thought Mr D was entitled to think he'd done enough to ensure he had a valid policy in place. She didn't think it was fair for Be Wiser to decide Mr D should have realised he hadn't been sent any documents or that he should have called it to check he was insured.

Be Wiser said it thought the police should have called the Motor Insurance Bureau before it impounded the car. It said if the police had done this Be Wiser or the insurer would have been contacted and could have confirmed Mr D was insured. But the adjudicator noted Mr D's car was taken from him outside of office hours so that check wouldn't have been possible. Be Wiser said it wasn't clear whether a technical problem with registering the car was a problem with its own systems or with the underwriter's systems. But the adjudicator thought it was Be Wiser's responsibility to ensure that it had correctly registered Mr D's additional car as being insured.

The adjudicator thought it would be fair for Be Wiser to:

- refund Mr D's £310 impound fee plus 8% simple interest per annum from 13 May 2016 to the date of settlement
- pay Mr D £10 per day for the inconvenience of having to use public transport (a total of £80)
- pay a further £300 to Mr D for the embarrassment and upset of being stopped by the police

In response, Be Wiser said it was the responsibility of the underwriter to update the industry database. It said it had correctly arranged the temporary additional cover and transmitted it to the underwriters. It said there was no evidence that a cover note was not issued due to its transmission failure. Be Wiser also said in other similar cases the Police had given the customer the benefit of the doubt if it was out of office hours. It said if the vehicle had shown on the MID it wouldn't have been seized by the police and this was the responsibility of the underwriter and not the broker.

my findings

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

I think that Mr D was entitled to think he was insured after Be Wiser took his instructions to add another vehicle to his policy and accepted his payment. I understand Be Wiser says that it sent the information over to the underwriter. But like the adjudicator I think Be Wiser has only shown that it tried to send the information not that it was successfully transmitted. I think Be Wiser should have realised that Mr D didn't have a cover note or other documents and have taken steps to make sure he was insured.

I can see Be Wiser has said that in other cases the Police have given drivers the benefit of the doubt when they couldn't find them on the MID outside of office hours. I accept Mr D may have been unlucky in this regard. But I think it's Be Wiser's responsibility to put Mr D back in the position he would have been in if the additional vehicle had been added to the database.

I think it would be fair for Be Wiser to pay the compound costs plus interest and pay £80 for loss of use of the car. I also think Be Wiser should pay Mr D a further £300 for the embarrassment and upset of being stopped by the police.

my final decision

For the reasons explained above my final decision is I uphold his complaint. I now require Be Wiser Insurance Services Ltd to:

- refund Mr D's £310 impound fee plus 8% simple interest per annum from 13 May 2016 to the date of settlement
- pay Mr D £10 per day for the inconvenience of having to use public transport (a total of £80)
- pay a further £300 to Mr D for the embarrassment and upset of being stopped by the police

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 January 2017.

Sarah Brooks
ombudsman