

complaint

Mr A complained about Be Wiser Insurance Services Ltd. He isn't happy about the excess applied to his motor insurance policy and the amount he was charged for time on cover.

background

I set the background out in a provisional decision that I sent in July 2016 as follows;

Mr A took out motor insurance through Be Wiser in November 2015. He didn't realise that the excess on his policy was £3000. As this was more than the car was worth he says that he wouldn't have taken out the policy.

Although Be Wiser thought that it did highlight this to the consumer during the sales call it allowed Mr A to cancel the policy outside the 14 day cooling off period. It waived the cancellation charges but Mr A was charged short term rates for his time on cover.

As Mr A wasn't happy about this he asked this service to look into things. Our adjudicator didn't uphold his complaint. She thought that Be Wiser did advise Mr A about the large excess in the sales call and thought that it acted reasonably by allowing Mr A to cancel the policy and waiving its cancellation charges.

As Mr A didn't agree the matter has been passed to me for a final decision.

my provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I think that the complaint should be upheld, I'll explain why.

I've listened to the sales call and I don't think that it is made clear to Mr A that his excess would be £3,000. I accept that it is mentioned in the call. But it wasn't said clearly and it was said around the same time as he was told about his windscreen excess of £300. Plus the call wasn't very clear and he was given a lot of information at that time. I also think that Mr A entered a far lower excess figure on the comparison website but Be Wiser says it can't verify this. So I can understand why Mr A didn't realise his excess was so high.

I've also listened to Mr A's further call when he actually paid for the policy. The call handler goes through Mr A's driving history and details in detail but the policy excess isn't highlighted.

I think that Be Wiser have accepted this which is why it has waived the cancellation charges and only charged for time on cover. However, I don't think that this puts Mr A back into the position he ought to have been but for the error.

I say this as Mr A has been charged short term rates for his time on cover. This amounts to 75% of the whole policy premium for less than a month on cover. But I haven't seen any evidence that Mr A was made aware that he would be charged short term rates if the policy was cancelled. He wasn't told during the sales call about this and he said that he didn't receive the policy documentation that outlined the charges. Be Wiser can only confirm that they were sent with an email. So I can't be sure that he was made aware of the short term rates.

As I don't think that Be Wiser made it clear to Mr A that his excess would be so high or that he would be charged short term rates I think that the fair and reasonable thing to do is for Mr A to only pay for the actual time he was on cover (pro rata), not short term rates. Be Wiser should also add interest for the period of time that Mr A was without the money and pay him £50 compensation for the inconvenience caused.

replies

Be Wiser didn't respond to my provisional decision and Mr A said that he accepted the decision.

my findings

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

As Mr A has accepted my initial decision and Be Wiser hasn't provided any further comment I don't propose to rehearse the circumstances of the complaint again here. Furthermore, I see no reason to depart from my initial findings.

my final decision

It follows, for the reasons outlined above that I uphold this complaint. I require Be Wiser Insurance Services Ltd to only charge Mr A pro rata for his time on cover. It should add 8% simple interest for the time he was without the money and pay him £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 September 2016.

Colin Keegan
ombudsman