

complaint

Mr P complains about how Be Wiser Insurance Services Ltd dealt with his no claims discount (NCD) in relation to his motor insurance policy. He says Be Wiser should've confirmed he had nine years' NCD. He wants it to give him that confirmation, refund additional insurance costs and pay him compensation for his inconvenience.

background

I attach a copy of my provisional decision, which I sent to Mr P and Be Wiser in April 2017. I set out why I intended to uphold the complaint. I said Be Wiser made mistakes, which put Mr P to some trouble and caused him some loss. I said Be Wiser wasn't clear about the discount it offered Mr P in 2014 and initially said he had one year's NCD, rather than two. I also said what I thought Be Wiser should do to put this matter right.

responses to my provisional decision

Mr P said whilst he wasn't entirely in agreement with my provisional decision, he wanted to bring the matter to a close, so he accepted it.

Be Wiser didn't agree with my provisional decision. It said Mr P knew he didn't have any NCD, so it didn't mislead him. Be Wiser didn't agree that it should pay £215 Mr P was charged when a third party insurer cancelled his policy. It says Mr P could've kept that policy and paid an additional premium for the adjusted NCD or cancelled it in the cooling off period.

my findings

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

In 2014, Mr P appeared to know he didn't have any NCD. I don't think that helps me to decide whether he was subsequently misled by Be Wiser. I remain of the view, for the reasons set out in my provisional decision, that Be Wiser could've been clearer about the nature of the discount it offered Mr P.

Be Wiser says Mr P could've kept his policy with the third party insurer and paid an additional premium for the adjusted NCD or cancelled the policy in the cooling off period. It wasn't possible for Mr P to pay an additional premium. At the time, Be Wiser told Mr P he had one year's NCD. The third party insurer didn't offer cover for one year's NCD.

I don't think it's reasonable to expect Mr P to have cancelled the policy with the third party insurer any sooner. This was clearly a muddle and it took some time for Mr P to find the underlying cause of the problem.

I remain of the view that Be Wiser wasn't clear about the discount it offered Mr P in 2014 and initially said he had one year's NCD, rather than two.

my final decision

For the reasons I've set out above and in my provisional decision, I uphold this complaint. I now require Be Wiser Insurance Services Ltd to:

1. Provide Mr P with confirmation of his NCD, should Mr P require it.
2. Pay Mr P's costs of £215 on cancellation of the policy with the third party insurer, plus interest on this amount, at the simple rate of 8% per year from the date Mr P paid that amount, to the date it makes the payment.
3. Pay Mr P compensation of £250 for his trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 26 June 2017.

Louise Povey
ombudsman

copy provisional decision

complaint

Mr P complains about how Be Wiser Insurance Services Ltd dealt with his no claims discount (NCD) in relation to his motor insurance policy. He says Be Wiser should've confirmed he had nine years' NCD. He wants it to give him that confirmation, refund additional insurance costs and pay him compensation for his inconvenience.

background

In 2014, Mr P took out a motor insurance policy with Be Wiser. He renewed the policy in 2015. In 2016, he wanted to arrange cover with a different insurer. Mr P thought he had the nine years' NCD he had when he first took out a policy with Be Wiser in 2014, plus two years' NCD with Be Wiser. He asked Be Wiser for confirmation of his NCD. Be Wiser said Mr P had one year's NCD.

The insurer Mr P had arranged cover with said it couldn't offer cover based on one years' NCD. Mr P says the insurer he initially arranged cover with cancelled that policy and charged him £215. Be Wiser later confirmed that Mr P has two years' NCD.

Mr P says he had nine years' NCD when he originally took out the policy with Be Wiser in 2014. He says insuring without the benefit of that cost him a lot more.

The adjudicator thought Be Wiser had treated Mr P unfairly. He said there's no evidence that Be Wiser explained to Mr P that it had offered him an introductory discount, as he didn't have nine years' NCD. He said, on balance, Be Wiser misled Mr P about his no claims position.

The adjudicator didn't think Be Wiser should give Mr P nine years' NCD he didn't in fact have but he thought it should pay him £250 compensation for his stress and inconvenience. The adjudicator also said Be Wiser should pay Mr P his costs on cancelling a policy with another insurer after it said it wouldn't offer him cover based on his actual NCD. In addition, the adjudicator thought Be Wiser should pay Mr P the difference between the cost of the cancelled policy (with nine years' NCD) and the policy he subsequently took out.

Mr P largely agreed with the adjudicator but asked whether there's anything that can be done about him effectively losing the benefit of multiple claim-free years of driving. He said he'd like to explore the possibility of Be Wiser giving him confirmation of NCD for more than one year or paying him compensation based on the increased costs he will face. Mr P also thought compensation of £250 for his stress and inconvenience wasn't enough.

Be Wiser didn't agree with the adjudicator. It provided a screen shot of the information Mr P entered online which said that he didn't have any NCD. Be Wiser said the premium was based on Mr P's driving history, as he'd been a named driver on his wife's policy. It said Mr P was aware that that his policy wasn't based on him having any NCD.

Be Wiser said it was right that the renewal document in 2015 showed one year's NCD as Mr P earned one year's discount from 2014-2015. After the policy lapsed in 2016, Mr P had two years' NCD.

Be Wiser said after it asked for proof of NCD in 2014, Mr P said he'd provide proof that he was a named driver on his wife's policy.

The adjudicator thought his initial view was still fair, so Be Wiser asked that an ombudsman consider the complaint.

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 Be Wiser wasn't clear about the discount it offered Mr P in 2014 and initially said he had one year's NCD, rather than two.

When Mr P took out a policy with Be Wiser in 2014, he didn't have nine years' NCD. His driving experience was driving a company car and being a named driver on his wife's policy. So, he didn't have his own insurance on which to build a NCD.

I've seen the screen shot of the information Mr P gave online in 2014. At that stage, Mr P appeared to know that he didn't have any NCD as he entered "0" when asked how many years NCD he had.

There was clearly some discussion, as when Be Wiser confirmed cover it said Mr P's policy was based on nine years' NCD and asked him for proof of that. The statement of facts referred to nine years as the time Mr P had been insured without claims. Mr P provided Be Wiser with his wife's renewal notice, which showed that she had nine years' NCD and that he was a named driver on her policy.

I think Be Wiser could've been clearer about the nature of the discount it offered Mr P at the outset. It didn't clearly say it was offering Mr P an introductory discount. I don't think Mr P would've been alerted to that by Be Wiser inserting "*Intro*" in response to the previous insurer details on the statement of facts. In its letter confirming Mr P's cover, Be Wiser said it was based on nine years' NCD. That wasn't in fact accurate.

In circumstances like the ones here, our approach isn't to direct the insurer to proceed as if the incorrect information were true. We look to see what effect the incorrect information had. The error didn't cause Mr P any loss. He didn't have nine years' NCD, so he hasn't lost it.

I think Be Wiser was wrong to say that Mr P had only one year's NCD when it wrote to him on 7 April 2016. By then, he had two years' NCD earned in 2014-2015 and 2015-2016. I understand that Be Wiser corrected that quite quickly, as when Mr P spoke with Be Wiser on 11 April 2016, it confirmed he had two years' NCD.

Mr P says his current policy is based on one year's NCD. It's not clear to me why Mr P didn't tell his new insurer that he has two years' NCD. If Mr P requires Be Wiser to provide him with confirmation of two years' NCD which he can show to his current insurer, I'd ask him to let me know that in response to this provisional decision. I'll then ask Be Wiser to do that.

I think Be Wiser could've been clearer about the nature of the discount it offered Mr P and it was wrong to say that Mr P had only one year's NCD when he had two. I think the position was confusing for Mr P and he was put to some trouble when he tried to clarify the matter. I think the compensation of £250 suggested by the adjudicator is fair in relation to Mr P's trouble and upset.

I don't think it's fair or reasonable to ask Be Wiser to pay the increased costs of Mr P's insurance, based on his actual NCD. That's because Mr P was never entitled to nine years' NCD. There's no ground on which to ask Be Wiser to compensate Mr P for a premium with another insurer based on his actual NCD.

Mr P initially took out a policy with another insurer based on the nine years' NCD he thought he had. When Be Wiser said Mr P had only one year's NCD, the other insurer didn't want to offer cover. Mr P says it charged him £215 on cancellation. I think it's fair that Be Wiser refunds that amount. That's because Mr P wouldn't have incurred that cost if Be Wiser had been clearer about nature of the

discount it offered Mr P and correctly stated his NCD position. Be Wiser should also pay interest on that amount, as Mr P has been kept out of the use of that money for some time.

my provisional decision

For the reasons I've set out above, my provisional decision is I uphold this complaint. I intend to require Be Wiser to:

1. Provide Mr P with confirmation of his NCD, should Mr P require it.
2. Pay Mr P's cancellation costs of £215 plus interest on this amount, at the simple rate of 8% per year from the date Mr P paid the cancellation costs to the date it makes the payment.
3. Pay Mr P compensation of £250 for his trouble and upset.

Louise Povey
ombudsman