

## **complaint**

Mr and Mrs A complain that Be Wiser Insurance Services Ltd (Be Wiser) cancelled the wrong policy leaving them without insurance on a car they were continuing to use. They also say it failed to refund to them the correct amount for the policy it should've cancelled.

## **background**

Mr and Mrs A had multiple vehicles insured with policies they'd bought through the broker Be Wiser. The policies were not provided by the same underwriter.

## **policy A**

Mr and Mrs A bought insurance to cover their van. This policy began on 7 May 2017, and they paid for the policy, in full, at a cost of £233 (I will refer to this as "policy A" in this decision). This price was based on them having nine years no claims discount (NCD) from their previous insurer. For the purposes of this decision, I'll refer to the underwriter of this policy as U1.

Be Wiser had to reissue the policy documents more than once as there was some confusion around the spelling of the name of one of the named drivers on the policy.

When checks were carried out, it transpired that Mr and Mrs A only had four years NCD that could be applied to policy A. This generated a premium increase of £37.35, which Mr and Mrs A paid.

On 6 June 2017, Mr and Mrs A contacted Be Wiser to enquire about changing the vehicle on policy A. Be Wiser advised this would result in a premium increase, they said the increase was too much and so asked for policy A to be cancelled. Be Wiser told Mr and Mrs A that they would be due a refund of £21.11. They felt this was very low considering the short time the policy had been in place and asked for a complaint to be raised about this.

Be Wiser agreed to waive its £75 cancellation fee bringing the refund up to £96.11. Mr and Mrs A still didn't think this was enough so Be Wiser offered to ask U1 if it was willing to cancel its cancellation fee. U1 said it wasn't. Be Wiser wrote to Mr and Mrs A on 23 June 2017 letting them know this. The letter explained that Mr and Mrs A could choose to cancel and accept the £96.11 refund. Or they could continue with the policy and Be Wiser would refund the £37.35 premium increase they'd paid for the increased cost charged as a result of the reduction in the NCD. The letter was clear that policy A was still running.

Mr and Mrs A said they never received this letter and only realised policy A had not been cancelled when they received a renewal invitation. They then raised this with Be Wiser saying they had sold the van when they asked for the cancellation on 6 June 2017 and so had paid for insurance that they could never have used or benefitted from. Be Wiser said if Mr and Mrs A could provide proof of either the sale of the van or show there was alternative cover in place, it would retrospectively cancel the policy and issue them with a refund based on the time on cover.

Mr and Mrs A provided a copy of the V5 document for van which showed the change of ownership date as 26 September 2017. Be Wiser backdated the cancellation of policy A to this date and issued Mr and Mrs A a refund of £52.80 for time on cover. It also refunded the addition premium it had charged for the change in NCD of £37.35.

Mr and Mrs A were unhappy, as they thought they should get a full refund. They say that policy A was never taken up as the spelling mistakes on the documents as the start of the policy meant they couldn't use the car. So they brought their complaint to this service.

While the Adjudicator was looking into their complaint they mentioned a problem they had with a second policy they'd also bought through Be Wiser. The adjudicator spoke to Be Wiser and agreed to look at this under the same complaint.

### **policy B**

Mr and Mrs A's second insurance policy covered their car (I will refer to this as "policy B" in this decision), for the purposes of this decision I'll refer to the underwriter of as U2. The cost of policy B was £354. Mr and Mrs A say Be Wiser cancelled policy B in error, instead of cancelling policy A. This had left them uninsured on their car which they had been continuing to use. They also explained they'd been involved in an incident where the car had suffered damage as the result of a pot hole and wanted to claim for this under policy B.

The policy started on 7 May 2017 and was cancelled with effect from 6 June 2017. Mr and Mrs A were issued a refund of £296.18; this was processed on 17 June 2017. Be Wiser could not find any requests to cancel policy B from Mr and Mrs A so it accepted that it had cancelled the policy in error and offered £200 in compensation for its error. It also offered to assist with the claim that Mr and Mrs A want to make for the pot-hole damage, they spoke to U2 about this. U2 has said that if Mr and Mrs A would like to make a claim against the policy they will need to return the refund they have had. It will then reinstate the policy, and deal with the claim. It also said that any claim will be subject to the £500 excess which was agreed on the policy.

The adjudicator didn't uphold the complaint. She felt Be Wiser had acted fairly in resolving Mr and Mrs A's complaints about both policy A and policy B and so it didn't need to do anything more to put things right. Mr and Mrs A disagreed and so the matter has been passed to me to decide.

### **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've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where there's a dispute about what happened, I've based my decision on what I think's most likely to have happened in light of the evidence.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. However, I've given careful consideration to all of the submissions made before arriving at my decision.

I will now explain my findings in relation to each policy.

### **policy A**

Mr and Mrs A argue that the policy was never in use as one of the named drivers name was misspelt on the documents and so they were unable to use the car. I've considered this point and while I understand that it would've been inconvenient for Mr and Mrs A to have to

contact Be Wiser to correct the details, I don't think this would've prevented them from using the van. I also think that when they agreed to pay the premium increase for the reduced NCD, they accepted the policy was in force. So I don't uphold this part of Mr and Mrs A's complaint.

Moving to the cancellation and refund due on policy A. There is no dispute that Mr and Mrs A wanted policy A to be cancelled on 6 June 2017. Be Wiser didn't cancel the policy at that point as Mr and Mrs A were unhappy with the amount of refund they would be entitled to, and so Be Wiser was speaking with U1 to see if anything could be done to increase this, I don't think this was unreasonable.

The letter Be Wiser sent, and Mr and Mrs A didn't receive, on 23 June 2017 made it clear the policy was still live. Because it didn't receive a reply it left policy A in force. Be Wiser has shown us that the letter was sent and I can see no reason for Be Wiser to suspect that the letter hadn't been received as there had been no previous problems with post being received, and so I don't think it acted unfairly when leaving the policy in force.

Even so, Be Wiser has since back dated the cancellation in line with the evidence Mr and Mrs A have been able to provide about the sale of the van.

Even though I don't think Be Wiser has acted unfairly in dealing with policy A, I do think it's been quite confusing to Mr and Mrs A what was going on at certain points. I would normally award compensation for this. However, Be Wiser waived its £75 cancellation fee and refunded the additional premium for the NCD change, so I'm satisfied that it's already compensated Mr and Mrs A for this.

## **policy B**

Be Wiser accepts that policy B was cancelled in error. To put this right I would expect it to put Mr and Mrs A back in the position they would've been in if the mistake hadn't happened.

Be Wiser has already offered to do this by:

- reinstating policy B as if it had never been cancelled. (Be Wiser has agreement from U2 for this); and
- compensating Mr and Mrs A £200 for the inconvenience it caused them by cancelling the policy.

For this to happen Mr and Mrs A would need to repay the premium refund they've had which relates to policy B. This is fair as Mr and Mrs A can't reasonably expect to have the benefit of policy B without having paid for it. If Mr and Mrs A decide they want to go ahead and do this, U2 has said it will deal with their claim under the policy subject to the excess. This is an option that is still open to them and they should contact Be Wiser if they want to go ahead with it.

Mr and Mrs A have said that the cancellation could've resulted in all sorts of problems and complications if they'd been involved in a serious accident while policy B wasn't in force, and while I do take on board their point, I can't consider what might have happened. Instead, I've focused on what did happen and the impact of this on Mr and Mrs A. Based on this I'm satisfied that Be Wiser has compensated Mr and Mrs A adequately for its error and I won't be asking it to do anything more.

**my final decision**

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs A to accept or reject my decision before 1 March 2019.

Amber Mortimer  
**ombudsman**