

complaint

Miss A complains that Be Wiser Insurance Services Ltd misled her into thinking she was covered to use her car to do a daily school run, under a contract she had with a taxi firm.

background

Miss A says she was offered paid work taking two children to and from school every day. She says she took out the policy through Be Wiser in October 2014, after her previous insurer told her she wouldn't be covered to do this.

On 18 November Miss A phoned Be Wiser to check she had cover. Be Wiser told her she was covered but, in July 2015, the policy was cancelled by the underwriters. This followed a phone call from the police who'd asked whether Miss A's policy covered her to provide a taxi service for school children. The underwriters said it didn't. Cover had been provided on the basis that Miss A was employed by the school and used her car during the course of that employment. In fact Miss A was self-employed and had been contracted to provide school transport by a taxi firm.

Miss A said that she'd explained her situation to Be Wiser so she should have been covered. She also complained that she hadn't been given a pro rata refund on the premium she'd paid.

The adjudicator who looked at the case said the underwriters were entitled to cancel the policy. But she thought Be Wiser hadn't told Miss A the real reason she couldn't have a refund. She asked Be Wiser to pay Miss A £50 for the trouble and upset this had caused.

my provisional decision

I issued a provisional decision in which I said:

'I've listened to the call Miss A made on 18 November. Twice during the call she said she worked for a school. She also told the advisor she was paid monthly. That reinforced the impression that she was employed, rather than a contractor. The adviser told Miss A she was covered because she was driving the car as part of her employment. The statement of facts also says Miss A works for a school. I think the information Miss A gave Be Wiser was misleading and that explains why she was told she had cover.

The terms of the policy do say, if it's cancelled by the insurer, there'll be a pro rata refund. They don't say the situation is any different if it's cancelled because the policy holder has provided misleading information. In this case the decision to cancel the policy and not give a refund was down to the underwriters. If Miss A wishes to pursue this further she'll need to complain to the insurer.

Be Wiser told us Miss A wasn't entitled to a refund because, under its terms and conditions, you don't get anything back after you're nine months into the policy. But, as the adjudicator pointed out, that only applies where it's the policy holder who has cancelled.

Be Wiser may have given us the wrong reason for the cancellation, but I can't see anything to suggest it ever told Miss A this. Miss A hasn't said she was given misleading information about why she couldn't get a refund. Her complaint has always been that it wasn't fair for Be

Wiser to cancel the policy and refuse a refund. I think if Miss A thought she'd been misled about why she didn't get the refund, she would have mentioned it in her complaint.

I think Miss A has never been in any real doubt that the reason she was refused a refund was because of the circumstances of the cancellation, not the length of the time she'd had the policy. I accept that the cancellation has caused Miss A great deal of upset. But I consider that's because of the cancellation itself, rather than any misunderstanding about the reason for not getting a pro rata refund.'

Miss A hasn't responded to my provisional findings. Be Wiser says there is nothing else it wants to add.

my findings

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

For the reasons set out above I don't think Be Wiser has done anything wrong.

my final decision

I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 1 September 2016.

Melanie McDonald
ombudsman