

complaint

Mr F's complained that Be Wiser Insurance Services Ltd charged him more than he thought it was going to for his motor insurance policy.

Mr F's mother, Mrs H, is representing him in this complaint and also bought the policy. But for ease I'll refer to her actions and comments as being those of Mr F.

background

Mr F bought his policy on the phone in October 2015. He paid the deposit of £313.04 thinking it was the total cost. Be Wiser sent out Mr F's policy documents and asked him to send a copy of his no claims discount (NCD). It also set up a monthly direct debit for the rest of the premium. A couple of weeks later Mr F called Be Wiser to say it had the wrong address. So, it sent his documents to the correct address.

Be Wiser continued to try to contact Mr F for a copy of his NCD. It also tried to get the information directly from his previous insurer. But that insurer wouldn't provide the NCD due to Mr F having not paid the full premium at that time. Be Wiser was unable to get a copy of Mr F's NCD and he hadn't paid his direct debit. So, Be Wiser cancelled Mr F's policy on 22 January 2016. And it said Mr F owed it £466.95 in unpaid premiums and administration charges.

Mr F thought this was too much. He said he'd been told the total premium was £313.04. So he brought his complaint to us. The adjudicator thought it was likely that Be Wiser had told Mr F the correct premium. But he asked Be Wiser to reduce its administration charges. Be Wiser agreed but Mr F still thought this was too much and asked for an ombudsman's decision.

my 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 it's fair and reasonable that Be Wiser reduced its charges so I'm not going to ask it to do anything else.

Be Wiser's been unable to trace the phone call where Mr F bought his policy. Mr F said he asked four times if £313.14 was the total amount because he would have bought a different policy. But, on balance, I don't think Be Wiser would have hidden the full cost of the premium, as that would have only caused problems later in the process. I also think it's likely that it would have asked Mr F how he wanted to pay for the balance of the premium which is why it set up the direct debit.

But even if Be Wiser did indicate that £313.04 was the full premium, it sent out his policy documents that said the total cost was £1,415.21. I appreciate these were sent to the wrong address at first but they were later sent to the right address. I understand Mr F said he didn't receive this and often has a problem receiving post. But I don't think that's Be Wiser's fault. And Be Wiser also tried to contact Mr F by telephone. Mr F didn't contact Be Wiser at all to say he didn't think he had to pay the direct debit.

Be Wiser tried to contact Mr F a number of times and was unable to get hold of him. As Be Wiser was unable to get the information it needed and Mr F didn't pay the direct debits, I think it was reasonable to cancel his policy.

Be Wiser applied the charges set out in Mr F's terms and conditions. I think Be Wiser's entitled to charge a reasonable amount for arranging and cancelling Mr F's policy. And I've taken account of the amount of administration involved in the time it took trying to contact Mr F. Be Wiser agreed to reduce its arrangement fee to £55 and its cancellation fee to £75. I think these are reasonable amounts. I also think it's reasonable that Be Wiser charged Mr F the amount it had to pay the insurer for the time he was on cover.

I appreciate this has been a distressing experience for Mr F and Mrs H but I don't think that's Be Wiser's fault. I think it's likely that it told him what the full premium was when he took out his policy. And, if he was mistaken about that, he had the chance to query it when it later contacted him about his NCD and payment. So, while I think it's fair and reasonable for it to reduce its charges, I'm not going to make it do anything else.

my final decision

For the reason set out above, I partly uphold this complaint and require Be Wiser Insurance Services Ltd to reduce Mr F's:

- arrangement fee to £55; and
- cancellation fee to £75.

Be Wiser should do this within 28 days of us telling it that Mr F's accepted my decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 3 October 2016.

Sarann Taylor
ombudsman