

complaint

Mr W has complained a commercial vehicle insurance policy sold to him by Be Wiser Insurance Services Ltd (Be Wiser), had been mis-sold as it misrepresented the RAC cover provided with the policy.

background

The adjudicator upheld Mr W's complaint, in part, because he accepted that Be Wiser had failed to make him aware that the RAC cover provided did not extend to his particular vehicle. However the adjudicator did not believe that Mr W had ultimately been prejudiced by this. The adjudicator felt that Mr W had not been able to show that breakdown cover was a critical consideration at point of sale. This was because not all of the quotes that Mr W was able to provide included this cover, but also because when he had attempted to make use of the RAC cover, the specific problem that he had, namely incorrect fuelling, was excluded from the cover in any event. As a result even if Mr W's vehicle had been covered, he would have still had to pay the RAC to sort the problem out.

The adjudicator also considered the cancellation of Mr W's policy following his attempt to make use of the RAC cover. Whilst the cancellation was due to the non payment of premium, the adjudicator concluded that Be Wiser was wrong not to have discussed the cancellation with Mr W when he rang concerning the problems that he had experienced when he broke down.

The adjudicator therefore recommended, and Be Wiser accepted that it should, pay Mr W redress of £100 compensation, plus provide him with a letter confirming that his policy was cancelled in error. Be Wiser agreed to this and to waive the premium in full, which totalled £53 for the time on risk, plus it agreed it would pay £50 compensation.

Mr W did not accept the recommended redress, as he felt that adjudicator had underestimated the distress caused to him whilst trying to sort out the breakdown. Mr W has also argued that the inclusion of breakdown cover was a critical consideration to him. Taking all of this into account Be Wiser should reimburse all the costs incurred in the breakdown.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

There does not appear to be any dispute that Be Wiser failed to make Mr W aware that his vehicle would not be covered by the RAC breakdown on his policy. Additionally Be Wiser has accepted that it could have done more to ensure that Mr W understood the implications of the cancellation notice when discussing the 'mis-sale' of the policy with him. As such I only need to consider the level of redress that may be due to Mr W.

Mr W has argued that the inclusion of breakdown cover was key when choosing his insurance; however, the quotations he provided do not exclusively include breakdown cover. Mr W has made a number of valid and plausible arguments as to why this cover was important and indeed these reasons are why insurers offer such a benefit with policies. That being said, no matter how good the reason for having cover, it does not follow that a consumer will automatically choose to take the cover. The various quotes provided by Mr W

do not include breakdown cover and as such I cannot be certain that Mr W would have selected breakdown as a cost extra, rather than its being free.

It is not disputed that the RAC cover included with Mr W's policy specifically excluded incorrect fuelling, and I note that the adjudicator checked a number of other such policies for other companies and these also excluded such a situation. In light of this it would seem that had the cover applied to Mr W's vehicle or he had chosen an alternative insurer, then it was likely that he would have been unable to claim on the cover.

Where a consumer does not make the necessary payments on a policy then an insurer would be entitled to cancel a policy, however, this case is slightly different in that problems had arisen and had been raised with the insurer. In those circumstances I agree that Be Wiser should have done more to make sure that Mr W understood that he needed to pay the next instalment if the policy was not to cancel. I realise that Mr W may well have chosen to go elsewhere in any event, but had he done so then this would not have been a potential black mark on his insurance record, that he would need to disclose to prospective future insurers.

my final decision

For the reasons above it is my final decision that I uphold this complaint.

I require Be Wiser Insurance Services Ltd to provide Mr W with a letter sent by email confirming that the policy was cancelled inappropriately. It should also use its best efforts to remove the cancellation from any external databases, including that of the underwriter.

I also require Be Wiser to pay Mr W £100 in compensation, inclusive of the premium refund already arranged.

I make no other order against Be Wiser.

Rona Doyle
ombudsman