

complaint

Mr L complains that Be Wiser Insurance Services Ltd mishandled his motor insurance.

background

Be Wiser acted as an intermediary between Mr L and his insurers. In 2013 and 2014, Be Wiser arranged a policy with an insurer which included cover for Mr L to drive not only his own car but also "other vehicles". On expiry of that policy Be Wiser arranged a new policy with another insurer which didn't include that extra cover. Mr L complained that - unaware of this - he drove someone else's car and was stopped by police.

our adjudicator's view

The adjudicator didn't recommend that the complaint should be upheld. He thought that it was reasonable for Be Wiser not to explain each term of the new policy.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr L and to Be Wiser on 20 April 2016. I summarise my findings:

If Be Wiser had told Mr L that - unlike his previous policy - his new policy didn't cover other vehicles, then he could've chosen between getting such cover or driving only his own car.

The insurer cancelled his policy and Be Wiser said he owed it a small balance. I didn't think this would've arisen if Be Wiser had done more to give Mr L information when he took the policy out.

Subject to any further information from Mr L or from Be Wiser, my provisional decision was that I was minded to uphold this complaint. I intended to order Be Wiser Insurance Services Ltd to:

1. send Mr L a letter apologising that it failed to tell him that the insurance for his car no longer covered him to drive other vehicles;
2. not ask Mr L to pay £50 charges in connection with the cancellation of his policy;
3. pay Mr L £300 for the trouble and upset of being stopped by police;
4. reimburse Mr L (if he provides documentary evidence that he has paid it) the fixed penalty of £300 and simple interest on that sum at a yearly rate of 8% from the date Mr L paid the penalty to the date Be Wiser pays him;
5. pay Mr L (if he provides documentary evidence of penalty points for driving with no insurance in August 2015) a further £300 for trouble and upset;
6. pay Mr L (if he provides evidence that he attended a court hearing) a further £300 for trouble and upset.

Mr L agrees with the provisional decision. He also says police impounded his friend's car. So Mr L paid £63 for a taxi home. And a couple of days later he travelled to get the car back, at a cost of £30 in petrol and £190 in storage fees. Mr L also says that – since the provisional decision – a court decided not to impose any fine or penalty points.

Be Wiser disagrees with the provisional decision. It says, in summary, that Mr L should take some responsibility for not checking he was insured to drive his friend's car.

my findings

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

From a transcript of the call in 2015, I accept that Mr L didn't say he wanted insurance to drive other peoples' vehicles.

But many comprehensive policies include such cover. And I've seen the certificates of insurance and policy summaries Be Wiser sent out in 2013 and 2014. They include cover for "other vehicles" - albeit only cover against liability to third parties.

From the 2015 transcript, I note that Be Wiser told Mr L it was "just confirming that nothing has changed". So I think it led him to believe - quite reasonably - that the change in insurers wouldn't involve any change in the nature of the cover.

I accept that Be Wiser sent Mr L his 2015 certificate of insurance and policy schedule. Unlike in the previous years, these documents didn't say he had "other vehicles cover". So Mr L could've checked.

But the documents didn't say he didn't have such cover. And Be Wiser hasn't said it did anything to alert Mr L to that important fact. I think Be Wiser should've done more and I think it's fair to hold it responsible for what happened.

So I will order Be Wiser to send Mr L a letter apologising that it failed to tell him that the insurance for his car no longer covered him to drive other cars.

If Be Wiser had told Mr L that - unlike his previous policy - his new policy didn't cover other vehicles, then he could've chosen between getting such cover or driving only his own car.

Instead - about five months later - police stopped Mr L behind the wheel of someone else's car.

Be Wiser hasn't provided enough documents to establish its view that Mr L's own vehicle had had no road tax since September 2014 and no MOT certificate since July 2015. Its search shows that his car had no tax or MOT at a later date. But in any event I don't accept Be Wiser's argument that the lack of tax or MOT on his own car would've invalidated the whole policy – including any cover for driving other vehicles.

I don't doubt Mr L suffered upset and distress when police stopped him on suspicion of driving with no insurance. I hold Be Wiser responsible for that and I think £300 is fair and reasonable compensation for that trouble and upset.

It was late at night in a town with which he wasn't familiar. And clearly Mr L couldn't drive home. So I don't think it was unreasonable that he got a taxi. And I've seen a receipt for £63. So I will order Be Wiser to reimburse Mr L with interest at our usual rate.

I've also seen an invoice for £190 storage fees. So I accept Mr L's statement that police had impounded the car. But it wasn't Mr L's car - it was his friend's. So I don't think Mr L had a legal responsibility to pay to get it back. And I don't think it would be fair and reasonable to order Be Wiser to reimburse him the £190 or the £30 he says he spent on petrol.

Mr L has provided a copy of a notice asking him to pay a fixed penalty of £300 or go to court.

The insurer cancelled his policy and Be Wiser said he owed it a small balance. I don't think this would've arisen if Be Wiser had done more to give Mr L information when he took the policy out. So I don't think it's fair for Be Wiser to chase him for payment of the cancellation charges of £50.

Mr L hasn't sent us any documents showing that he got replacement insurance – or that it was at an increased cost.

From what he told the adjudicator recently, I accept that Mr L had opted not to pay the fixed penalty and instead to go to court.

I accept that the court imposed no points or other penalty. But the case had hung over him for a few months. So I think it's fair and reasonable to order Be Wiser to pay Mr L a further £300 for trouble and upset.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I order Be Wiser Insurance Services Ltd to:

1. send Mr L a letter apologising that it failed to tell him that the insurance for his car no longer covered him to drive other vehicles;
2. pay Mr L £300 for the trouble and upset of being stopped by police;
3. pay Mr L £63 in reimbursement of his taxi fare on about 11 August 2015 plus simple interest on that sum at a yearly rate of 8% from that date to the date Be Wiser reimburses him. HM Revenue & Customs requires Be Wiser to take off tax from this interest. Be Wiser must give Mr L a certificate showing how much tax it's taken off if he asks for one;
4. not ask Mr L to pay £50 charges in connection with the cancellation of his policy;
5. pay Mr L a further £300 for the trouble and upset of the court proceedings.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 July 2016.

Christopher Gilbert
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