

## **complaint**

Mr F's complaint is about the handling of the cancellation of his motor insurance policy by Be Wiser Insurance Services Ltd.

## **background**

I issued a provisional decision on this matter in May 2017, part of which is copied below:

*"Mr F bought his policy in May 2016.*

*In June 2016 Be Wiser discovered that Mr F hadn't disclosed all his previous claims so it wrote to him asking him about why this was. It also asked for a copy of his car registration document, all parts of his driving license, proof of his no claims bonus and a signed statement of fact.*

*Mr F provided Be Wiser with the documents it had asked for. He also called to advise that the documents he'd sent were registered to his previous address but he'd moved in with his partner as of a year ago as she was seriously ill and he needed to care for her. As a result he said he'd forgotten to update this on the documents. Following this Mr F posted a change of address to the DVLA.*

*Mr F says that he called Be Wiser a number of times to discuss the issue with his address and that he was assured that his policy wouldn't be cancelled, whilst this was being updated by the DVLA. On the other hand Be Wiser says it discussed and agreed that Mr F's policy should be cancelled because the underwriter of the insurance advised it to do this.*

*Mr F is unhappy as he feels Be Wiser behaved unreasonably. Since the policy was cancelled, Be Wiser has offered him a new motor insurance policy and refunded part of the cancelled policy. The new policy cost more than the original one. Mr F says this was a result of the effect of the cancellation. Be Wiser says this was because Mr F was yet to provide his car registration document and driver's license with the correct address on it and this was the only insurer prepared to accept the risk of insuring him without these. It also says the insurer is still waiting to see these documents.*

*Mr F is also unhappy with the service he received from Be Wiser. He says he had a number of calls with it where he was told the policy wouldn't be cancelled, but despite this, it was. In addition, he says that Be Wiser told him he was wasting everyone's time by pursuing a complaint to this service and that he wouldn't receive a favourable outcome. He's told us that when he'd enquired about getting copies of call recordings of his conversations with it, Be Wiser wouldn't help him. He wants Be Wiser to compensate him for the difference he paid for his new policy as well as the change in excess. He also wants to ensure the cancellation of his policy doesn't affect the future premiums, he will have to pay.*

*Be Wiser has offered to pay Mr F roughly £205 which only represents a refund of any fees it earned on the sale of the policy. Our investigator thought that Be Wiser had behaved unreasonably and should pay Mr F an additional £500 compensation as a result. Be Wiser doesn't agree so the matter has been passed to me to decide.*

### **my provisional 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 that Mr F's complaint should be upheld in full. I'll explain why.*

*The documents I've seen suggest that Be Wiser was chasing for the documents it asked Mr F for from about 9 June 2016. The chronology Be Wiser provided us with suggests that Mr F called back a couple of times to say he'd posted these. Be Wiser says it received these documents on 28 June 2016 and the following day Mr F called to say they contained his previous address, rather than his current one.*

*Mr F has told us he explained to Be Wiser that it could take the DVLA up to four weeks to register his change of address and that Be Wiser initially said it was happy to wait for this. Be Wiser hasn't provided us with any call recordings. It says they're unavailable but the chronology it's given makes no reference to Mr F being warned his policy would be cancelled by a particular date if the new documents weren't received. Rather its notes seem to say the insurer hadn't responded about what it wanted to do about not having received these updated documents. The notes are too brief in my view to provide an accurate representation of what Be Wiser discussed with Mr F during calls. . And given the number of calls between Be Wiser and him and what Mr F has said, I think it's likely that Mr F had raised the issue of the updated documents more than once - particularly as he's told us he tried to get this resolved various times.*

*It was after this on 1 July 2016, that Be Wiser issued its cancellation letter to Mr F saying his policy would be cancelled if it didn't receive his documents within seven days. Three days later, it spoke to the insurer who said Be Wiser should cancel the policy. As a result the policy was cancelled that day.*

*Mr F says this was unreasonable and that when Be Wiser arranged a new policy for him. On the same day, it spoke to the DVLA to verify his change of address. Mr F feels that Be Wiser could've done that and confirmed the position to his insurers before cancelling the original policy. Be Wiser has said that it doesn't generally contact the DVLA because they don't take calls from third parties. But if there's a technical issue, the DVLA can provide a check code to view and save a license summary to prevent cancellation of a policy. Given Be Wiser was able to do this for Mr F on his new policy, I see no reason why it couldn't have done that same on his original one. Had it done so I can't see why the underwriter wouldn't have accepted this information. So I think that Be Wiser could've done more to assist Mr F and prevent the cancellation of his policy and that it should've given him clear and accurate information about the cancellation. It doesn't seem to me that it did, as the policy was cancelled far sooner than the seven days its letter to Mr F warned of. The volume of calls Mr F made to Be Wiser suggests to me that Mr F had done all he could to keep it updated of the situation with regard to his documents.*

*Be Wiser has also made the point that the policy was cancelled because Mr F didn't confirm the existence of a second claim he'd made in the past. Mr F has explained that that particular claim was non-fault so he'd forgotten to list it. He also says he told Be Wiser about this a number of times before his policy was cancelled. I can't see anything to suggest that Be Wiser told Mr F clearly that he needed to do anything more in relation to this issue before cancellation. And given what Mr F says and the absence of any comprehensive call notes, I think it's likely that he would've given the details Be Wiser wanted, had they drawn this to his attention. So I don't think Be Wiser acted reasonably. Mr F spoke to Be Wiser a number of*

*times before the policy was cancelled. I think Be Wiser could've reminded him what he needed to do and warned him of possible cancellation well before this happened.*

*For these reasons I think that Be Wiser could've done more to prevent the cancellation of the policy. Because of this, I think that it should now put Mr F back in the position he would've been had it given him fair warning of the cancellation and contacted the DVLA to get details of his current licence, as it did with the new policy. Had it done so, I don't think Mr F's policy would've been cancelled by the underwriter in the way that it was. I've set out what I think is fair compensation for this below.*

*I've also considered the service Mr F received from Be Wiser. Mr F has told us that he was told he'd be wasting everybody's time by making a complaint to us by Be Wiser. The letters I've seen to Mr F don't obviously provide referral rights to us either. And they don't seem to address any of Mr F's concerns. So I'm persuaded that Be Wiser didn't do as much as I'd expect it to do either in relation to Mr F's concerns or when clearly referring him to us after properly dealing with his complaints. And this would've happened at a stressful time for Mr F- when he was caring for his partner who was seriously ill. Because of this, I think it's right that Be Wiser should pay him compensation for the trouble and upset it caused him. I've set out what I think is adequate compensation for this below.*

### ***fair compensation***

*Be Wiser should:*

- *Pay Mr F the difference between the cost of his original policy and the new policy it arranged for him;*
- *Pay Mr F interest on any sums he's paid out over and above the cost of the new policy at 8% per year simple\* from the date Mr F paid this, until the date he's reimbursed for this;*
- *Pay Mr F £500 for the trouble and upset caused by its actions both in relation to the cancellation of the policy, which would've caused him worry and the poor customer service he received after this;*
- *Remove the cancellation from all internal and external databases and issue Mr F with a letter saying the cancellation wasn't his fault.*

*\* I understand that Be Wiser is required to deduct basic rate tax from this part of the compensation. Whether Mr F needs to take any further action will depend on his financial circumstances. More information about the tax position can be found on our website.*

*Mr F should note that I don't think Be Wiser can compensate him for the change in excess on the new policy if that was all that was available at the time. But the figure I've set out for trouble and upset caused is also intended to compensate him for this change."*

### ***developments***

I asked both parties to provide any other comments or information they wanted considered in response to my provisional decision. Mr F responded saying he accepted my provisional findings and had nothing further to add.

Be Wiser also responded asking for clarity about how I'd arrived at the figure of £500 for the trouble and upset I suggested it pay Mr F. Our investigator explained that she thought my finding was based on the trouble and upset Be Wiser had caused to Mr F both in relation to the cancellation of the policy and the poor customer service he received during the

complaints' process. She made the point that this was particularly difficult for Mr F as he was already going through a hard time caring for his partner.

Be Wiser has since said that it thinks the compensation I've suggested is excessive, particularly because it wasn't notified of the Mr F's personal circumstances. Because of this it would like me to reconsider the amount I've suggested.

It also says that my reference to it contacting the DVLA in my provisional decision was wrong. It says it didn't do this. The only time it would do this would be when it couldn't get the information it needed online, like when the website was down. In this case Be Wiser said it logged into the DVLA website with Mr F's permission and retrieved the document it needed.

### **my findings**

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

In particular I've taken into account Be Wiser's further submissions. Having done so I remain of the view that Mr F's complaint should be upheld in the way I suggested within my provisional decision.

I don't think it makes a difference whether Be Wiser knew about Mr F's personal circumstances. That's because I haven't seen anything to suggest that if it had, it would've done something differently. And the difficulties it caused Mr F, are in my view adequately compensated by the figure of £500 I previously suggested, irrespective of his circumstances for the same reasons set out within my provisional decision. Be Wiser should note that this figure represents my finding, rather than anything our investigator suggested in previous assessments.

I also don't think it makes any difference whether Be Wiser contacted the DVLA or logged into the website with Mr F's permission. The point is that Be Wiser could've done this and confirmed the position to Mr F's insurers before cancelling the original policy.

### **fair compensation**

Because I haven't seen anything that makes me change my mind about Mr F's complaint, I direct Be Wiser to:

- Pay Mr F the difference between the cost of his original policy and the new policy it arranged for him;
- Pay Mr F interest on any sums he's paid out over and above the cost of the new policy at 8% per year simple\* from the date Mr F paid this, until the date he's reimbursed for this;
- Pay Mr F £500 for the trouble and upset caused by its actions both in relation to the cancellation of the policy, which would've caused him worry and the poor customer service he received after this;
- Remove the cancellation from all internal and external databases and issue Mr F with a letter saying the cancellation wasn't his fault.

\* I understand that Be Wiser is required to deduct basic rate tax from this part of the compensation. Whether Mr F needs to take any further action will depend on his financial circumstances. More information about the tax position can be found on our website.

Mr F should note that I don't think Be Wiser can compensate him for the change in excess on the new policy if that was all that was available at the time. But the figure I've set out for trouble and upset caused is also intended to compensate him for this change.

**my final decision**

I uphold Mr F's complaint against Be Wiser Insurance Services Ltd and direct it to comply with my award of fair compensation set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 17 July 2017.

Lâle Hussein-Doru  
**ombudsman**