

complaint

Miss M complained that Be Wiser Insurance Services Ltd (BWIS) cancelled her motor insurance policy without her knowledge.

background

BWIS cancelled Miss M's car insurance. They said that she hadn't given them proof of her no claims discount (NCD). But Miss M said she didn't receive any letters from BWIS asking for her proof of NCD, or warning her that they'd cancel her policy. She said she didn't know until after they'd cancelled it. This meant she'd been driving uninsured for three days.

She complained to BWIS because she felt that they should have done more to contact her. She also complained that they were rude to her when she phoned them about it. And she complained that they asked her to pay more money, although she'd already paid a deposit on her premium and was paying the balance by direct debit.

She was also upset that BWIS continued to try to collect more money from her even after they'd cancelled her policy.

BWIS didn't agree and so she brought her complaint to us. She wanted them to apologise, refund everything she'd paid them, and compensate her for her inconvenience, time, and postage.

The adjudicator recommended that her complaint should be upheld. She thought that BWIS hadn't acted reasonably. She recommended that they remove the record of Miss M's policy cancellation from all insurance databases and give her a letter confirming they'd done so, refund the cancellation charge (but not everything Miss M had paid BWIS), and pay her compensation of £150.

BWIS didn't agree. They maintained that they had cancelled Miss M's policy in line with its terms and conditions. Miss M didn't agree either. She still wanted BWIS to refund her everything she'd paid them. So her complaint has been passed to me to decide.

my findings

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

BWIS haven't been able to provide the recording of the call in which Miss M says that they were rude to her, so this service has been unable to consider this aspect of Miss M's complaint.

As regards the cancellation of her policy, BWIS said that they had sent her a series of letters reminding her to send them her NCD information and warning that failure to do so might mean her policy would be cancelled. They say they followed this with a letter on 3 July saying that they would cancel her policy in 7 days.

BWIS say that this is shown by screenshots of their records which list these letters. However I don't think that the screenshots do show what BWIS think they do. In particular, the screenshot which list all letters sent doesn't include the 3 July letter. So I don't accept that BWIS have demonstrated that they did send that letter. I don't think it's enough for them to simply say that they sent that letter despite what their records show.

And as BWIS can't show that they did send that letter, they also can't show that they cancelled Miss M's policy in line with its terms and conditions.

Miss M would like BWIS to refund all of the money she has paid them. However, as the adjudicator explained to her, BWIS did provide her with insurance cover until they cancelled her policy, and so it's fair that they remain entitled to payment for that period. BWIS have also shown that, in line with the terms of business they sent her, they can still take payment for any outstanding balance, even after the policy has been cancelled. But they had already told her that they'd reduced their cancellation charge to £56.30 and that this resulted in a refund being due to her.

Then both BWIS and the finance company demanded payment from her of what they said was an outstanding balance. BWIS say that this was a mistake, but I can see that this would have caused Miss M some confusion and worry, because they'd already told her about her refund. So I don't think that was reasonable. And, as I don't think that BWIS cancelled her policy in line with her policy terms, I don't think they are entitled to a cancellation charge at all, and so they should refund her the £56.30.

I can see that Miss M felt upset that BWIS had allowed her to drive uninsured for 3 days. It also meant that she would have had to arrange new insurance urgently, which would have been inconvenient for her. Given this, and the additional worry caused to her due to the letters requesting an outstanding balance, I think that BWIS should compensate her for her trouble and upset by paying her £150.

BWIS have recorded the cancellation of Miss M's policy on insurance databases, and they tell us that they can't remove that record, for legal purposes, in case the authorities need this for any reason. However they say they would be willing to provide her with a letter saying it was cancelled because of a misunderstanding.

But BWIS have not explained what legal reason they rely on for this. And, since I think that they didn't cancel her policy in line with its terms and conditions, it would be unfair for any record of it to remain on insurance databases and so BWIS should remove it.

my final decision

For the reasons I've given above it's my final decision that I uphold this complaint. I require Be Wiser Insurance Services Ltd to do the following:

- reimburse Miss M the £56.30 cancellation charge, adding interest of 8% simple per year to that amount from the date BWIS charged her that to the date they reimburse her
- remove any record of Miss M's policy cancellation from internal and external insurance underwriting databases, and give Miss M a letter saying that they have done so
- pay Miss M £150 in compensation for her trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 9 March 2016.

Rosslyn Scott
ombudsman