

## **complaint**

Mrs A complains about how Be Wiser Insurance Services Ltd, a broker, dealt with her instruction not to renew her motor insurance policy.

## **background**

Mrs A's motor insurance policy was due for renewal on 4 November 2018. On 30 October 2018, Mrs A told Be Wiser that she didn't want to accept its renewal quote. Mrs A took out insurance with another insurer.

Be Wiser renewed Mrs A's policy and took three monthly payments from Mrs A's account. Mrs A says that, as Be Wiser took those payments, there wasn't enough money in her account to pay the monthly instalment to her new insurer. So, the new insurer cancelled her policy for non-payment.

Mrs A took out a second policy with the other insurer but it cost her more. She says that was because of the cancellation of the previous policy. The other insurer refunded the additional premium it had originally asked Mrs A to pay. Be Wiser refunded the payments it had taken in error.

In response to Mrs A's complaint, Be Wiser offered her compensation of £100 in relation to her distress and inconvenience and any bank charges or lost interest. Mrs A didn't accept that.

One of our investigators looked at what had happened. He said that Mrs A hadn't suffered any financial loss but she had suffered distress and inconvenience. The investigator said that fair compensation for that was £200.

Mrs A agreed with the investigator but Be Wiser didn't. It said:

- The first payment it took in error was immediately following the (incorrect) renewal of the policy. So, Mrs A was aware at that point that there was an error and could have cancelled the direct debit to mitigate further impact.
- Mrs A didn't tell it that her new insurer had refunded the increased premium she'd had to pay. If it hadn't taken steps to verify Mrs A's loss it may have paid her several hundred pounds in relation to that.
- It had considered the impact of its errors on Mrs A and thinks that compensation of £100 is fair and that £200 is excessive and out of line with other cases.

As there was no agreement between the parties, the complaint was passed to me, an ombudsman, 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.

It's common ground that Be Wiser made an error in renewing Mrs A's policy after she had given it instructions not to do so. It went on to take three monthly payments from Mrs A's account. It's also agreed that Mrs A hasn't suffered any financial loss. So, the remaining issue for me to decide is the fair level of compensation for Mrs A's distress and inconvenience arising out of Be Wiser's error.

Each case is determined on its own facts. We look at the effect of an error on the individual in each case. That means that there isn't a set figure for compensation for this type of error.

Be Wiser is the expert here and we'd expect it to act on Mrs A's instruction not to renew the policy. I don't think it's reasonable for Be Wiser to say that Mrs A should have noticed the first incorrect payment it took and cancelled the direct debit. Mrs A says that she was away from late October 2018 onwards and had limited access to the internet. So, I don't think that Mrs A was initially aware of Be Wiser's error.

Be Wiser says that if it hadn't taken steps to verify Mrs A's loss it may have paid her several hundred pounds in relation to that. But it didn't do so. Mrs A would always have to provide evidence in relation to any claim for loss and it's established that she didn't suffer any financial loss here. I think that's separate from Mrs A's claim in relation to distress and inconvenience.

Considering everything, I think that compensation of £200 in relation to Mrs A's distress and inconvenience is fair in this case. Be Wiser acted against Mrs A's explicit instruction in relation to renewal of the policy then took three payments it wasn't entitled to take. When Mrs A initially contacted Be Wiser it asked for proof of alternative cover before it would cancel the policy with no charge. That was a further unnecessary obstacle for Mrs A. As Mrs A didn't want to renew the policy it was entirely a matter for her when and with whom she took out another policy. So, even after Mrs A pointed out its error, two further premiums were collected. Mrs A suffered inconvenience in having to sort this matter out both with Be Wiser and her new insurer and distress in dealing with a cancelled policy.

### **my final decision**

My final decision is that I uphold Mrs A's complaint. I now require Be Wiser Insurance Services Ltd to pay Mrs A compensation of £200 in relation to her distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 2 May 2020.

Louise Povey  
**ombudsman**