

complaint

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

background

Be Wiser acted as an intermediary between Mr W and an insurer. Mr W rang Be Wiser to get insurance for his family car. Be Wiser also sold him home insurance. It issued documents for a car smaller than his with a similar registration number. Be Wiser asked him for an additional premium. So he asked it to cancel the motor policy. He complained that it didn't give him a full refund.

The adjudicator recommended that the complaint should be upheld in part. He thought that Be Wiser had recently made a fair and reasonable offer to waive all its service charges, leaving Mr W to pay only the pro-rata cost for the 16 days he had on cover.

Mr W disagrees with the adjudicator's opinion. He says, in summary, that the transcript of the telephone call shows that Be Wiser's call handler wasn't clear.

my findings

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

Mr W bought his car new at the end of May 2008. It was a family car.

On about the seventh anniversary of that date, he rang Be Wiser asking for insurance to start in about two weeks' time.

From the call recording, I think Mr W gave the correct registration, starting with the letter "F". But Be Wiser's call handler misheard it as an "S". He looked up the wrong registration and read out details of a make and model of a well-known small hatchback.

Mr W didn't disagree until the call handler said the registration date was October 2008. But the call handler didn't double check the registration.

From the all recording, I think the call handler and Mr W each bear some responsibility for the miscommunication.

From the policy schedule, I see that Mr W paid £280 for a year's motor insurance.

From what he'd said, I find it unlikely that he would've agreed to pay any more.

From Be Wiser's computer records, I accept that it sent Mr W the policy documents promptly by email.

Mr W later called twice to chase up hard copies. I'm satisfied that Be Wiser sent them. And – as there may have been a problem with postal delivery – I don't think Be Wiser was at fault for the delay in Mr W seeing them.

But - by the time he saw the hard copies and reported the error – the policy had been running for about two weeks.

Be Wiser asked Mr W for more money. So he cancelled the policy after 16 days and asked for a full refund.

I've thought about what would've happened if Mr W had made a claim for an incident that happened in those 16 days. And I would've ordered Be Wiser to meet such a claim.

So I don't think it's unfair for Mr W to have to pay the insurer's charge for his time on cover. From Be Wiser's file I see that this was £18.12.

I think Be Wiser refunded £227. It says it also credited Mr W with £10.62 towards his home insurance. But I haven't seen enough evidence to persuade me that Mr W agreed to this or that it was otherwise fair to deduct this from the refund for his car insurance.

So I will order Be Wiser to refund Mr W as follows:

	£
paid for a year	280.00
less charge for 16 days' cover	18.12
sub total	261.88
less refunded	227.00
balance to be refunded	34.88

And – as Be Wiser has kept Mr W out of pocket for that balance since about 30 June 2015 – I will order it to add interest at our usual rate.

As I've found that Be Wiser and Mr W each bear some responsibility for the miscommunication, it wouldn't be fair and reasonable to order Be Wiser to pay Mr W any compensation for upset and trouble.

my final decision

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

1. £34.88;
2. simple interest on that amount at a yearly rate of 8% from 30 June 2015 to the date it pays him. If it decides it has to deduct tax from the interest element of my order, it shall send Mr W a tax deduction certificate when it pays him. He can then use that certificate to try to reclaim the tax, if he's entitled to do so;

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 March 2016.

Christopher Gilbert
ombudsman