

complaint

Mr N's complaint is about a car insurance policy he took out with Be Wiser Insurance Services Ltd. The complaint is brought by Mrs N on behalf of Mr N.

Mr N says the insurance was wrongly cancelled, which led to a number of serious consequences.

background

In December 2015 Mrs N took out a car insurance policy with Be Wiser for Mr N. She paid for part of the policy. The rest was due to be paid in instalments.

Mrs N says she couldn't recall whether she'd paid for the entire policy in one go and that she questioned this with Be Wiser during a call with them at the end of January 2016. She says she was told the policy had been paid for in full. During the course of the call Be Wiser also sold Mrs N excess protection cover which she paid for in full.

Be Wiser says it sent Mr N several letters by email and post between December 2015 and early February 2016. Those letters explained that Be Wiser needed his bank details to take direct debit payments for the remaining instalments due on the car insurance policy. When Be Wiser didn't hear back or receive payment from Mr N, it cancelled the policy.

In April 2016 Mr N was stopped by the police for driving without insurance. His car was impounded. Mr N wasn't able to pay for the car to be released so it's now been scrapped.

Mr N says he didn't receive any of the letters Be Wiser sent to him and was under the impression he was insured under the original policy because this is what Be Wiser had told Mrs N when she spoke with them in January 2016. He's also unhappy that Be Wiser refused to pay to have his car released before it was scrapped. He'd like Be Wiser to compensate him for the loss of his car and the amount Mrs N paid for the car insurance. He also wants to be compensated for the stress and inconvenience he experienced.

Our investigator considered Mr N's complaint and concluded that it shouldn't be upheld. Mr N doesn't agree so the matter 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. Having done so, I don't think Mr N's complaint should be upheld. I'll explain why.

The crux of Mr N's complaint is that he didn't receive any of Be Wiser's letters explaining that it needed to collect the balance of the insurance premium by direct debit - and that it would cancel the policy if he didn't respond or pay the balance due. He also says that he had no reason to believe he needed to do anything because Mrs N was told by Be Wiser that she'd paid the insurance in full during a call with them in January 2016.

Be Wiser hasn't been able to locate a copy of the call recording. So I can't be sure what it said to Mrs N during the course of that call. But even if I accept that they told Mrs N she'd paid the entire insurance premium, I think that the fact it sent Mr N four letters between December 2015 and February 2016 should've prompted him to contact them.

I appreciate that Mrs N says she never received the letters. But they were addressed to Mr N. Be Wiser says those letters were sent by email and by post. Mrs N says the email address on the letters was her daughter's. I assume that Mrs N gave this email address to Be Wiser when she bought the policy for Mr N. I say so because she's said that she paid the initial deposit for the insurance on her daughter's card. That said, Mrs N also says that she's checked her daughter's email account and can't find any record of the letters Be Wiser says it sent. Whilst I don't dispute this, it seems that Be Wiser also sent these letters by post to Mr N. I know that Mrs N says Mr N didn't receive them. But I don't think that means Be Wiser did something wrong. The letters contained the correct address for Mr N as well as the correct email address for Mrs N's daughter.

I understand Be Wiser also tried to contact Mr N by phone on two occasions but the number they had wasn't working. Taking everything into account, I think Be Wiser did everything it reasonably could've done (based on the information Mrs N gave it) to make contact with Mr N. Because Be Wiser didn't receive a reply or payment for the policy balance, it cancelled the policy. I think this was fair in the circumstances.

I know that Mr N feels strongly that Mrs N was given the wrong information about how much she had paid for the policy premium when she spoke to Be Wiser in January 2016. As I've said above, even if I accept that was right, I think Be Wiser did enough beyond that call to correct the position. It did this by sending Mr N at least another two letters explaining the remaining instalments needed to be collected and that the policy would be cancelled if his bank details weren't received.

Mr N has also said that he hasn't seen any proof the letters were sent to him. He believes the letters might not have been sent through Royal Mail and that Be Wiser might've used a third party company. The letters I have seen suggest they were sent by regular post. But even if they weren't, they were sent to the email address Mrs N provided Be Wiser with. Because of this I think Be Wiser did enough to bring the payment problem to Mr N's attention.

Be Wiser has since waived the amount owed on the policy (which amounted to roughly £200) as a gesture of good will. Mr N says that Be Wiser had previously offered to refund the deposit Mrs N had paid on the insurance so that he could use this to have his car released from the pound.

Be Wiser accepts that it initially offered Mr N £110 but says that this was intended to go towards the cost of a new policy which would help Mr N have his car released from the pound. This is presumably because Mr N had to show that his car was insured to do this. But when Mr N's car was scrapped, Be Wiser said Mr N could have this amount as a refund anyway. Because I don't think Be Wiser did anything wrong, I think the amount it waived on the insurance that was cancelled, coupled with the amount it paid Mr N is fair in the circumstances of this complaint.

my final decision

For the reasons set out above, I don't uphold Mr N's complaint against Be Wiser Insurance Services Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 23 September 2016.

Lâle Hussein-Doru
ombudsman