

## **complaint**

Mr C complains that the motor policy he bought from Be Wiser Insurance Services Ltd ('Be Wiser') was cancelled without telling him and based on wrong information.

I issued my provisional decision as follows:-

## **background**

*I've considered the relevant information about Mr C's complaint. Based on what I've seen so far, I'm thinking about not upholding it. But I am thinking about awarding Mr C some compensation because of something I think Be Wiser Insurance Services could have done better.*

*I'll look at any more comments and evidence that I get by 25 April 2016. But unless the information changes my mind, my final decision is likely to be along the following lines.*

## **complaint**

*Mr C complains that the motor policy he bought from Be Wiser Insurance Services Ltd ('Be Wiser') was cancelled without telling him and based on wrong information.*

## **background**

*Mr C took out a motor insurance policy through Be Wiser in November 2015. There was a problem with his driving licence because it was registered at a different address to the one where Mr C was living. Be Wiser asked Mr C to send in documentation, including his driving licence photo card, so that this could be sorted out. It gave him seven days to do that, but he wasn't able to. The policy was cancelled but was then reinstated after Mr C phoned Be Wiser. Be Wiser again asked Mr C to send in the documentation and his driving licence. Mr C sent some of that in but it wasn't enough because the driving licence didn't show the same address as the one Be Wiser had for him.*

*Mr C told Be Wiser that the DVLA wanted him to have a medical, so Be Wiser gave Mr C some more time so this could happen. But this still hadn't happened by mid-December 2015, so Be Wiser sent Mr C a seven day cancellation letter.*

*On 21 December 2015, Mr C told Be Wiser that a date for the medical examination had been set. So Be Wiser said it would give him another two weeks to sort things out. But Mr C says Be Wiser told him that it would continue to give him week-long extensions after that until he got his new licence. Be Wiser says that's not correct.*

*By 31 December, as Mr C hadn't been in touch to sort things out, Be Wiser says it sent him another seven day cancellation letter. Mr C says he never received it. When Mr C contacted Be Wiser by email, on 8 January 2016, to say his new licence was being sent to him by post, Be Wiser replied and said the policy had already been cancelled. Be Wiser said it was open to Mr C to arrange a new policy with them, but it would still need to see his new driving licence.*

*Mr C also says that Be Wiser made a major error by telling the underwriters that his driving licence had been revoked by the DVLA. He feels that this led to his policy being cancelled.*

*Apart from being unhappy about his policy being cancelled, Mr C also says that he was threatened by Be Wiser during a telephone call.*

*The underwriters of the policy agreed to cancel it based on the time Mr C had the cover in place. But some cancellation charges were still applied. I understand that the DVLA has since offered to pay these.*

*Mr C took out a new policy with another insurance provider. But this one had a higher excess than the one he'd originally bought from Be Wiser. Be Wiser also quoted Mr C for a new policy. But Mr C didn't want to take it because he'd found a cheaper policy.*

*Mr C says that Be Wiser should compensate him for having to change policies. He also says that Be Wiser should compensate him for the impact of not being able to drive his car. This included not being able to visit a close family member in hospital. He also wants compensation for expenses and loss of earnings when he couldn't drive his car. He also says that he's now afraid of having an accident and having to pay the excess on his new policy, so he thinks Be Wiser should also compensate him for that.*

*Mr C has also told us that Be Wiser attempted to take another premium payment for the policy from his bank account after the policy had been cancelled.*

*Our adjudicator thought that Be Wiser had done enough and treated Mr C fairly by giving Mr C some time to sort out the problem with the licence. She thought that by giving Mr C two weeks from 21 December, Be Wiser had been clear enough about the deadline by which time Mr C would need to provide his driving licence, being 4 January 2016. But Mr C hadn't contacted Be Wiser again until 8 January 2016. She took on board that Mr C said he'd never received from Be Wiser their letter of 31 December 2015, which told him that his policy would be cancelled in seven days' time. But taking everything into account, she thought that it didn't need to offer him any compensation, except for the refund for the unused portion of his policy, which it had already offered him.*

*Because Mr C didn't agree with our adjudicator's findings, his complaint's been passed to me for a final decision.*

### ***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.*

*First, I'd like to say that I am very sorry to hear about the problems Mr C has been having. I can see that because of his personal circumstances this has been particularly frustrating. But having looked carefully at all the available information about Mr C's complaint, I'm currently not planning to uphold it. I'll explain why.*

*I can see there's a bit of confusion about when the policy was cancelled. That's not helped by the fact that Be Wiser hasn't been able to send us any call recordings. Whilst unfortunate, this isn't unusual. But what Mr C and Be Wiser agree on is that on 21 December 2015 Be Wiser gave him another two weeks to sort out the new licence with the DVLA.*

*Mr C says that in addition he was told that Be Wiser would continue to extend the deadline until he got his licence back from the DVLA. I haven't seen any record of that conversation. And since Mr C had already been given a number of deadlines, I think it would be odd if Be Wiser were to give 'rolling' extensions, especially as it would need the authority of the underwriters to do that. I think it's more likely, based on what I've seen, that Be Wiser only told Mr C that he could have a two week extension, after which it would cancel the policy.*

*Be Wiser says that on 31 December 2015 they sent confirmation that the policy would be cancelled within seven days - so that would be 6 January 2016. Mr C says he didn't get that letter, and I can see that's possible, especially allowing for postal delays over the Christmas and New Year Period. Also, Be Wiser hasn't been able to provide me with a copy of the letter or a template of what it sent. But that doesn't alter the fact – which both Mr C and Be Wiser agree on – that Mr C had two weeks from 21 December 2015 before his policy would be cancelled. Unfortunately – and I realise this may have been due to things outside of Mr C's control – he wasn't able to sort out his new licence do this, and so the policy was cancelled.*

*Based on these facts, I don't think it was wrong of Be Wiser to cancel Mr C's policy on 6 January 2016. And I've seen that Be Wiser followed up the cancellation with an email reply to Mr C on 11 January 2016, telling him that his policy was now cancelled. I've also seen that that Mr C had a conversation about this with one of Be Wiser's managers on 12 January 2016.*

*Be Wiser also gave Mr C a part refund of his insurance premium. I've looked at how that was calculated and it seems to me to be fair. Be Wiser also quoted Mr C for a new policy. I've seen that the new policy premium was much higher, but it was open to Mr C to seek a new policy elsewhere, which he did. It was then a matter for Mr C to decide how much excess he wished to take. I don't agree with Mr C that that's something that Be Wiser ought to be held responsible for.*

*I've seen that, as Mr C has told us, Be Wiser tried to, but couldn't, collect another insurance instalment on 12 January 2016 – which is after the policy had been cancelled. But Be Wiser decided that no further payments were necessary by the time it completed the policy cancellation process on 14 January 2016.*

*Mr C says that Be Wiser told the underwriters that Mr C's driving licence had been revoked and that this led to his policy being cancelled. I've seen some evidence to support this. But there were later communications between Be Wiser and the underwriters making clear that that wasn't the reason. So I don't think it was Be Wiser's error that led to Mr C's policy finally being cancelled in January. Still, I think this is an unfortunate mistake on Be Wiser's part, which understandably caused him some distress. Mr C is right to have brought it to our attention.*

*I haven't seen any conclusive evidence that makes me think that Mr C was threatened by Be Wiser over the telephone. I can understand that this whole experience was frustrating and worrying for Mr C. In his circumstances, it would be easy for a misunderstanding to arise and I wonder if that's what led to Mr C raising this. I can't be sure, but without more evidence it's not something I feel able to say anything more about.*

*Overall, I don't think Be Wiser has done anything wrong in relation to the cancellation of Mr C's policy. But I think it ought to compensate him for the distress it caused him by telling the underwriters that his driving licence had been revoked, which wasn't the case. So I'm currently thinking that Be Wiser ought to pay Mr C £250 in compensation for this mistake.*

*I also understand that Mr C still hasn't received the refund of his premiums. That should have happened soon after the policy was cancelled in mid-January. So I'm thinking that Be Wiser needs to ensure this happens without any further delay and should pay him some interest.*

*While I'm very sorry to disappoint Mr C, from what I've seen so far I think Be Wiser has been fair and reasonable in that it repeatedly gave him extra time to provide it with the documentation and new driving licence.*

### **my provisional decision**

*Based on everything I've seen so far, I'm not currently thinking of upholding Mr C's complaint. But I am thinking about awarding him some compensation for distress and interest on the delayed refund of premiums.*

### **developments**

Mr C has provided us with some comments about my provisional decision by telephone. He's said:

- That the £250 I'd asked Be Wiser to pay him for their mistake in wrongly saying to the underwriters that his driving licence had been revoked, was far too little. He also says that he's being penalised for five years because of the effects of the underwriters being told by Be Wiser that Mr C's driver's licence had been revoked.
- That DVLA had told him it would contact Be Wiser to try to sort out the same excess he had before his policy was cancelled because of the problems with his licence.
- That Be Wiser could have liaised more closely with DVLA to sort things out.
- That Be Wiser had paid money into the wrong bank account, delaying the partial refund of premiums that Be Wiser had agreed to give him.
- That I failed to show an appreciation of the other factors, including family illness, and the amount of stress he was under
- That Mr C's financial situation was getting much worse and that he was in danger of being evicted from his home.

Be Wiser has also provided some comments. They've said:

- That although they've seen the notes from the broker that says a representative from Be Wiser mistakenly said that Mr C's licence had been revoked, they can't trace the phone call where that happened.
- That the brokers asked for Mr C's policy to be cancelled because they still hadn't received Mr C's driver's licence – not because they thought it had been revoked.

- That the distress Mr C suffered was because of all the things he had to do to try to prevent his driver's licence being cancelled – and not because of its mistake in telling underwriters that Mr C's driver's licence had been revoked. Be Wiser says it was aware of Mr C's personal situation at the time and did all it could to try to prevent his licence being cancelled.

### **my findings**

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

I've thought about the points Mr C has made:

- First, I think £250 is a fair and reasonable sum to compensate Mr C for the mistake Be Wiser made. I can understand that Be Wiser saying that Mr C's licence had been revoked - when it hadn't - would be a source of upset and worry for Mr C. It's something that shouldn't have happened and it's important that Be Wiser understands this. But it isn't my role to punish Be Wiser for making a mistake. Instead, I need to think about the impact it's had on Mr C. And I've seen that the underwriters were later told that Mr C's licence hadn't been revoked. So while the mistake shouldn't have happened, I don't think it had any effect on what happened leading up to Mr C's policy being cancelled. So I'm not going to make any change to the amount I'm awarding Mr C.
- I've looked back at the paperwork again but can't see anywhere that DVLA tried to help Mr C by asking Be Wiser to reduce his policy excess.
- Also, while I accept that at some point DVLA may have been in touch with Be Wiser, I haven't seen anything to suggest that there was more that Be Wiser should have done to help sort out Mr C's difficulty in having his licence renewed.
- I understand that since writing my provisional decision, Be Wiser has sorted out the refund of premiums in line with what Mr C's asked them to do. So I'm not now asking it do anything more about refunding premiums and won't be asking it pay him any interest.
- I'm extremely sorry to hear about the distress and other effects that Mr C says Be Wiser's treatment has caused him. And it's a source of great concern to me that Mr C is experiencing difficult circumstances that are affecting his health. But I have to focus on the facts of Mr C's complaint, and having done so I haven't seen enough to make me think that I should increase the award.

I've also thought about what Be Wiser has said in response to my provisional decision and can respond as follows:

- Although Be Wiser can't trace the phone call when the mistake was made, that doesn't make me change my mind. I've seen the notes from the underwriter and also comments from Mr C that show that Be Wiser had mistakenly told the underwriter that Mr C's driver's licence had been revoked.

- I agree with Be Wiser that this mistake on its own didn't make things worse for Mr C. As I said in my provisional decision, there were later communications that made it clear that Mr C's policy wasn't cancelled based on that information. So I don't think it's Be Wiser's fault that the policy was cancelled and therefore I'm not asking it to compensate Mr C for that. But I am asking Be Wiser to compensate him for the distress its mistake has caused him.
- I also agree with Be Wiser that it was the problems associated with getting his new licence that caused Mr C some distress. But I can't forget that a mistake was made and Mr C was aware that a mistake was made. So I still think he needs to be compensated for this.

In summary, I very much hope that this final decision helps to explain to both Mr C and Be Wiser why I've awarded Mr C £250. There's nothing else that Mr C has told me that makes me think I should increase the £250 I've awarded him for Be Wiser's mistake.

I also hope that Be Wiser understands that in awarding Mr C compensation, I'd already taken into account that fortunately it didn't make things worse in terms of the process of trying to get his new driving licence to the insurers. But it still caused Mr C some unnecessary distress. He needs to be compensated for that.

### **my final decision**

For the reasons I've given above, I'm still upholding Mr C's complaint to the extent that Be Wiser Insurance Services Limited needs to pay him £250 compensation for its mistake. But I'm not asking Be Wiser Insurance Services Limited to pay him anything more or do anything else by way of compensating him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 May 2016.

Michael Goldberg  
**ombudsman**