

complaint

Ms C complains that Be Wiser Insurance Services Ltd mishandled her motor insurance policy.

background

Be Wiser acted as an intermediary between Ms C and an insurance company. Ms C was the policyholder and her son was a named driver. After he was involved in an accident, she complained about a policy excess of £700. She also complained about a refund due on cancellation of the policy.

The adjudicator did not recommend that the complaint should be upheld. She did not conclude that Be Wiser had failed to notify Ms C of the policy excess. In any event the adjudicator said that its offer to refund part of the premium was sufficient to compensate Ms C for any loss she might have suffered.

Ms C disagrees with the adjudicator's opinion. She says, in summary, that she did not know the excess was £700, and that she ought to have received a larger refund on cancellation of the policy.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Ms C sent us the policy documents for each of the four years from summer 2010. I accept that she had paid several thousand pounds for insurance in those years.

I note that her car was a small hatchback over ten years old and that its value was stated as £2,000.

I also accept that the policy schedules said:

“Total Excess: £400”.

But Ms C sent us a keyfacts® policy summary which included the following:

*“Additional Young Driver Excesses for accidental damage claims are in addition to the standard excess:
> Aged 20 or under £300”.*

This is not an unusual term and – as it is in a policy summary – I am satisfied that Be Wiser did enough to draw it to Ms C's attention.

On the renewal in 2013, Be Wiser's terms of business included the following:

"Should you wish to cancel cover after fourteen days your Insurers may base their premium on 'Short Period Rates'. This could represent the time on cover with an additional charge equal to three months premium. Any return premium to you will be the net return given by your Insurers less our charge of 20%..."

Total Cost of Your Policy

The total cost of your policy is £1409.40, this is inclusive of the £1314.90 premium due to your Insurers and a balance of £94.50 as our non-refundable charge for placing this policy."

From his date of birth, I calculate that Ms C's son was 20 when he was involved in the accident with a third party.

Be Wiser said that there were policy excesses totalling £700. Bearing in mind the policy terms, I do not consider that this was unfair or unreasonable. I keep in mind that Be Wiser was an intermediary. I find it likely that the insurer – rather than Be Wiser – was responsible for handling any claim by Ms C and deciding whether her car was beyond economic repair.

Ms C later cancelled her policy. Many policies provide that no premium refund is due if the policyholder has been involved in a claim before cancellation. Be Wiser sent a letter to Ms C saying:

*"...[the insurance company] are the only Insurance providers on our panel that provide a refund following cancellation if there is a pending or fault claim on the policy. Most Insurance Companies will retain the remainder of the premium to contribute to the claim costs...
We ...have confirmed the refund amount that you are entitled too (sic). This has been calculated as per our terms of business and would be the same refund amount for any cancellation reason."*

Be Wiser sent Ms C a refund of about £436. From what it has said, I find it likely that it had deducted 20% of the refund it received from the insurer. And keeping in mind its terms of business, I do not consider that deduction was unfair or unreasonable.

From the arithmetic, I find it likely that the insurer had sent Be Wiser a refund of about £550. If Ms C wishes to complain about that, she should address her complaint to the insurer.

my final decision

For the reasons I have explained, my final decision is that I do not uphold this complaint. I make no award against Be Wiser Insurance Services Ltd.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms C to let me know whether she accepts or rejects my decision before 11 May 2015.

Christopher Gilbert
ombudsman