

complaint

Mr O complains about the advice he was given by Be Wiser Insurance Services Ltd when he took out his motor insurance policy and that it incorrectly told him that his international No Claims Bonus ("NCB") was acceptable to the insurer when it was not, leading to his policy being cancelled.

background

Mr O purchased a motor insurance policy on the phone through Be Wiser. He paid the premium in full which was based on him having 9 years NCB. Mr O says he was given an assurance that his international NCB was acceptable and this was checked by the advisor with his supervisor. Be Wiser does not have a recording of the sales call.

About five days later Be Wiser received an email from Mr O to say that some of the details on the policy were incorrect. Be Wiser queried where the 9 years NCB had been earned as it had noted that he obtained his UK licence only weeks beforehand. Mr O sent in proof of his NCB and Be Wiser said it could not accept the documents and the policy had been set up on the basis of the NCB being earned in the UK. It checked the position with the insurer and it confirmed that the international NCB was not acceptable and the policy would cease in seven days' time. Be Wiser then arranged an alternate policy with another insurer that would accept the international NCB but at a higher premium.

Mr O is unhappy that the original policy was cancelled and about the advice he was given by Be Wiser. He wants it to provide him with insurance cover for the original quoted premium.

Our adjudicator recommended that the complaint should be upheld. In summary she considered that:

- A recording of the sales call is not available. Be Wiser has already reduced Mr O's premium on two occasions.
- Mr O had sought a quote online before phoning Be Wiser but the NCB was not made clear to the consumer and Be Wiser did not specify that the NCB must be accumulated in the UK. There is no information or help icon to clarify the NCB criteria.
- Mr O has provided a compelling and consistent version of events. He says the advisor consulted a supervisor a few times to check the NCB was okay before offering him a quote. He was just told he needed to send the proof of it within 28 days. Mr O also says that the only reason he accepted the quote was because Be Wiser had accepted his international NCB.
- On balance Be Wiser's advisor would have been aware that Mr O had 9 years international NCB as he only obtained his UK licence a short time before the call.
- Consequently Be Wiser should honour the original premium of £1,350.81. It should also send him a letter to say the first policy had been cancelled in error and remove the cancellation marker from all internal and external databases. It should also refund any cancellation fees applied to the first policy.

Be Wiser does not agree with the adjudicator's recommendations. In summary it says:

- Although it cannot locate a recording of the inception call we cannot substantiate what was disclosed at the inception of the policy. Its operatives use scripts, ask many questions and the consumer has the option of having the terms of business read to them.
- Although Mr O had only held a full UK licence for short time he had been born in the UK and had been resident since birth. His 9 years NCB could have been earned whilst driving on a provisional licence. It is unfair to say that the agent was aware of Mr O's NCB being earned outside the UK as there is no evidence of this.
- The policy was cancelled due to it being uncompetitive without the NCB and does not need to be disclosed when obtaining future policies. It was a mid-term cancellation. As a broker Be Wiser has acted appropriately including in arranging alternate cover. Had the correct details been given at inception the premium would have reflected the premium for the replacement cover. Be Wiser is in no position to honour the original quotation and it cannot remove the cancellation marker as this is down to the insurer's discretion and Be Wiser has no authority to do so.

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 the light of the available evidence and the wider circumstances.

Having done so, I agree with the conclusions reached by our adjudicator for broadly the reasons given.

I accept that on the information available to the agent during the inception call it is not reasonable to conclude that Be Wiser would have been aware that Mr O was applying an international NCB.

But it is clear that Be Wiser had experience of offering insurance with insurers who accepted an international NCB and that appears to have been a reason why Mr O approached it. Notwithstanding this expertise Be Wiser does not appear to have taken any particular steps to have explained or highlighted to consumers on its website or in its inception call the need to identify whether the NCB was earned in the UK or abroad.

Furthermore, and in any event, Mr O has said throughout that the agent he spoke to had checked the position on his NCB with his supervisor and confirmed it was acceptable. This appears to have encouraged Mr O to accept the offer of insurance with the first insurer. It is unfortunate that a recording of the inception call is not available but on balance I accept Mr O's evidence and I find on the available evidence that it was more likely than not that he was assured his international NCB was acceptable to the first insurer.

Had Be Wiser advised Mr O that his international NCB was not acceptable to the first insurer I am satisfied on balance that he would not have taken out the policy.

So I consider it is fair and reasonable for Be Wiser to now refund to Mr O the difference between the cost of the premium on the first cancelled policy and that ultimately payable on the second replacement policy. Taking into account the refunds already made by Be Wiser this leaves a difference of £109.22. It should also, if it has not already done so, refund any cancellation fee it has applied. Be Wiser should also pay interest on both sums at the rate of 8% simple a year from the date Mr O paid the premium on the second policy or cancellation fee to the date of settlement. It should also write to the first insurer to ask it write to Mr O confirming the circumstances surrounding the cancellation of the policy and ask it to remove the entries it has made on any databases.

my final decision

My final decision is that I uphold this complaint and I order Be Wiser Insurance Services Ltd:

1. To pay the sum of £109.22 to Mr O.
2. To refund, if it has not already done so, any cancellation fee it has applied on the first policy.
3. Be Wiser should also pay interest on both sums at the rate of 8% simple a year from the dates Mr O paid the premium on the second policy or the cancellation fee to the date of settlement.
4. To write to the first insurer to ask it to write to Mr O confirming the circumstances surrounding the cancellation of the policy and ask it to remove the entries it has made on any databases.

Stephen Cooper
ombudsman