

complaint

Mr A complains that Be Wiser Insurance Services Ltd ("Be Wiser") cancelled his motor insurance policy for the non-disclosure of road traffic accidents.

background

Mr A called Be Wiser, a broker, to buy a motor insurance policy in May 2012. When asked to disclose accidents or claims within the last five years, he said that he had "two disputes going on" (which were from May 2008 and October 2009, respectively). Be Wiser's representative asked if they were Mr A's fault, and he said they were not.

Be Wiser later found these to be fault claims. It also found that Mr A had not disclosed a third (non-fault) claim from December 2010.

Be Wiser requested a further premium because of the claims, but Mr A did not pay it. As a result, the policy was cancelled.

Mr A brought his complaint to this service. He is unhappy that an additional premium was charged, as he believes the claims were fraudulent and should not have been recorded against him.

The adjudicator did not recommend that the complaint should be upheld. This is because he believed the broker had asked a clear question, which Mr A did not answer correctly. He was satisfied that Be Wiser had then not acted unfairly in cancelling the policy when the correct information was discovered, and the additional premium was requested but not paid. As the actual premium to be applied (to take account of the claims) was a matter for the underwriter, and this complaint is against the broker, the adjudicator could not investigate whether the premium increase itself was correct.

Mr A did not agree and the matter has therefore been referred to me to decide.

my findings

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

This complaint is against Be Wiser, which is an insurance broker. Be Wiser was responsible for the sale and administration of the motor insurance policy; it did not set the premiums, as that is a matter for the insurer. I therefore cannot consider here whether the additional premium which was applied after the claims were discovered was correct. What I can consider is whether Be Wiser acted fairly and reasonably in cancelling the policy when payment was not made.

When an insurance policy is taken out, important information needs to be obtained which will be particularly relevant to the terms on which the policy is offered, if at all. In establishing whether the correct information was provided, we will look at whether the person applying for the policy was asked a clear question about the information that the broker and insurer consider to be important.

In this case, Mr A took out the policy over the phone. The call transcript records that Be Wiser's adviser asked:

"Have you had any accidents or claims in the last five years?"

Mr A said he had *"two disputes going on"*. The adviser went on to ask later in the call:

"None of them were your fault were they?"

Mr A responded:

"No they weren't.... I've been driving for 42 years without accident."

Be Wiser later discovered the details of the 'two disputes', and that they were in fact fault claims. It also discovered the third claim, which was non-fault. All three were within the previous five years. On this basis, Mr A's answers to Be Wiser's questions were incorrect; and I am satisfied that the questions Mr A was asked were sufficiently clear and unambiguous.

I appreciate that Mr A feels very strongly about the accidents and believes they were not his fault. However, the fact remains that the accidents had happened, claims had been made and I am satisfied that Mr A was aware that the two disputes that were ongoing had been recorded as fault against him. They should therefore have been disclosed as such. I consider, on the available evidence, that Mr A did not take reasonable care to give Be Wiser an accurate answer to its questions, including omitting mention of the third claim.

Had Mr A properly disclosed the two fault claims, then I consider it is more likely than not that the cover offered to Mr A would have been at a higher premium. Even if only the non-fault claim had been disclosed, it would have had an impact on the premium.

I therefore consider it not unreasonable that when it became aware of the undisclosed claims, Be Wiser advised Mr A of the change in premium and requested payment. Be Wiser issued several requests for payment, including a letter specifically giving seven days' notice of cancellation of the policy if it was not received. When the payment was not received, Be Wiser arranged for the policy to be cancelled as it was entitled to do. (I note that, as a goodwill gesture, it did waive its cancellation fee, as well as reducing the additional premium.)

On the evidence provided, I am satisfied that Be Wiser acted fairly and reasonably in cancelling Mr A's motor insurance policy for the non-payment of the additional premium.

my final decision

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

Helen Moye
ombudsman