

complaint

Mr T is unhappy with Be Wiser Insurance Services Ltd ("Be Wiser") and how it handled the setting up of his home insurance policy and the customer service he received.

background

On 20 December 2016 Mr T arranged his home insurance policy with Be Wiser over the phone. Mr T said he explained to the adviser that his home was in a flood area. Mr T understood the annual premium to be £698 to be paid over eight months.

A couple of days later Mr T received his policy documents. He noted that a number of details were wrong – such as his name was wrongly spelt, it didn't have his alarm system noted, and it recorded that he didn't have any special exposure to damage by flood. He also noted the annual premium was recorded as both £718.22 and £718.16 with monthly payments of £90.13.

On 23 December 2016 Mr T rang Be Wiser and informed them of the discrepancies. Updated policy documents were then sent out by Be Wiser confirming a refund of £5.24 reflecting his updates but the exposure to flood risk wasn't noted.

On 28 December Mr T spoke to Be Wiser again regarding the level of premium. Mr T was provided with assurances about the cost of the premium – which Be Wiser said was simply the true cost of the policy with the underwriter and not what he was paying – which remained £698.

On 20 January 2017 Be Wiser sent further amended documents out to Mr T. He called Be Wiser on receipt and followed up on the flood risk issue as he was expecting further contact from it. Be Wiser informed Mr T that it would need to check with its underwriters what actions may be required. On 23 January 2017 Be Wiser rang Mr T and informed him a report about flood defences was required by the underwriter and Mr T would need to obtain this.

A follow up letter was sent by Be Wiser on 24 January stating it was "*still awaiting*" the flood report. It also said that Mr T's policy may be cancelled by his insurer if it wasn't provided. Mr T wrote back to Be Wiser on receipt on 27 January to say he was obtaining the report. Be Wiser wrote to Mr T again on 2 February saying the report must be provided by 9 February otherwise Mr T's policy would be cancelled.

As a result of this, and with concerns about Be Wiser cancelling his policy, Mr T decided to cancel the policy himself and take his insurance out with a different provider. The policy was cancelled with effect from 6 February 2017 following Mr T's letter of complaint.

Be Wiser wrote to Mr T confirming his policy had been cancelled from the 9 February 2017.

In Mr T's complaint he said he felt that Be Wiser had suggested it was his fault the information hadn't been recorded at the time of sale. He was also unhappy with the cost of premium and the way it had been represented to him and reference to a "birthday discount". Finally, he was unhappy that £89.39 had been taken as a monthly premium on 26 January which was above what he had agreed (the £87.25).

Be Wiser responded to Mr T's complaint. It didn't really address any of the substantive issues Mr T had raised. It provided a timeline and explained it would waive its administration

and cancellation charges which would have been incurred by Mr T cancelling the policy. It also provided a pro-rata refund of £99.13 on the premiums he had paid.

As Mr T was unhappy with Be Wiser's response he came to our service. One of our investigators looked into Mr T's complaint. During the investigation Be Wiser explained that it couldn't provide copies of the calls Mr T had with Be Wiser on 20 and 23 December. The investigator recommended Be Wiser pay Mr T £100 for the trouble it had put him through and issue an apology.

Mr T thought £100 was a fair amount of compensation. However he also wanted Be Wiser to refund him the difference between the premiums he paid and what he would have paid had he taken out his new existing policy instead. Mr T calculated that to be £107.37. Mr T felt it was wrong for Be Wiser to treat the waiver of the charges as a concession as in his view the contract had been repudiated by its misrepresentation over the cost of cover and its conduct in taking a premium above what he had agreed to.

Be Wiser didn't agree it should pay Mr T any compensation. It said it had already agreed to waive the cancellation charges and this was sufficient to recognise any trouble and upset Mr T had suffered.

As a result this complaint has been referred to me for a decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint; in doing so I agree with the investigator and uphold Mr T's complaint.

Be Wiser are unable to provide copies of the calls on 20 and 23 December 2016. So I can't listen to confirm what information Mr T provided to Be Wiser over the phone. Mr T has been very clear about what he told Be Wiser and I've found his account credible about what happened. His account is also supported by the fact that there were errors in the initial information recorded on things which it seems unlikely Mr T would have provided wrongly – for example, his name and the alarm system.

Be Wiser are unable to confirm its side of the call. So based on the evidence available, I conclude, on balance, Mr T did tell Be Wiser about the flood risk on 20 and 23 December but this wasn't properly recorded. I appreciate why this would have been frustrating for Mr T given the later urgency placed upon him by Be Wiser in January to get a flood report in place for the underwriter.

I also can understand Mr T's concern about the premium quoted on the documentation and that it hasn't been clear what the cost of his cover was. To date Be Wiser still hasn't explained why Mr T's monthly premium slightly increased.

Finally, I can also understand why Mr T felt concerned about the cancellation letter he received quoting a cancellation date of 9 February. This is the same date that Be Wiser threatened to cancel the policy by - had Mr T failed to provide the flood report. Given he wrote to Be Wiser on 7 February and Be Wiser agreed a cancellation date of 6 February, I can understand why he became concerned that Be Wiser, rather than him, had cancelled the policy. To resolve this Be Wiser should write to Mr T confirming who cancelled the policy.

Be Wiser has already indicated it will do this and has confirmed to this service that the policy was cancelled at Mr T's request.

So in each of these aspects I think Be Wiser hasn't treated Mr T as well as it should and this has caused Mr T some concern and distress. I think a payment of £100 is a fair amount of compensation for that in addition to the waiver of the cancellations and administration charges it has already applied. I agree with Mr T that, in the circumstances, the waiver of the cancellation and administration fees in itself doesn't fairly compensate him for that element.

But I don't agree that it's fair for Mr T to recover the difference in the premiums he paid compared to what it would've cost under his new policy. Mr T thought this difference was £107.37. But I think the real difference is in fact £8.23, taking into account Be Wiser returned £99.13 to Mr T from the premiums he paid. It's of course difficult to say what someone would have done in hindsight but, irrespective of the amount, I'm not persuaded that Mr T would necessarily have taken this course of action if he'd been informed on 20 December of the need for a flood report. Mr T was aware on 20 December the other policy was cheaper but still chose to take his cover through Be Wiser for other reasons. So I'm not asking Be Wiser to pay him anything further in relation to this element.

Mr T has asked for Be Wiser to issue a sincere apology to him for what has happened. I can understand why Mr T wants this, and perhaps if this had happened earlier this may have helped resolve matters. But as I hope Mr T will understand, the sincerity of any apology is diminished by me directing a business to give it, so I'm not asking Be Wiser to do this.

my final decision

For the reasons outlined above, I uphold Mr T's complaint against Be Wiser Insurance Services Ltd.

I direct Be Wiser Insurance Services Ltd to pay Mr T £100 for the trouble and upset it has caused. I also direct it to write a letter to Mr T confirming who was responsible for the policy being cancelled.

Under the rules of our service, I'm required to ask Mr T to accept or reject my decision before 17 July 2017.

Benjamin Taylor
ombudsman