

complaint

Miss D and Miss H have complained that Be Wiser Insurance Services Ltd miss-sold them a motor insurance policy.

background

Miss D and Miss H used a broker, Be Wiser, to take out a motor insurance policy. Miss H says that Be Wiser didn't properly explain the policy when she purchased it over the phone. She says she called Be Wiser within the 14 day cancellation period after she received a letter telling her the excess was £3,000 on the policy. Miss H says she was told the excess would only be payable if she made a claim on the policy. But when a third party made a claim following an accident her insurer asked Miss H to pay the £3,000 excess fee.

In the adjudicator's opinion Miss H didn't understand the excess was so large when she purchased the policy and noted it was only mentioned once in a 40 minute conversation. The adjudicator thought Be Wiser's letter sent after the policy was taken was clear and he thought it was this letter that prompted Miss H to call to discuss the excess fee with Be Wiser.

Miss H said she was told by the advisor that the letter was a mistake and that she was told three times by Be Wiser that she wouldn't have to pay the £3,000 unless she made a claim. The adjudicator could see there was a phone call to Be Wiser around the time Miss H would have received Be Wiser's letter. Be Wiser couldn't find the recording or a note of the second call so the adjudicator thought he should consider Miss H's account of what happened.

The adjudicator thought Miss H would have opted to cancel her policy if she'd been told the correct information about the excess. He could also see the call was made within the 14 day cancellation period. He recommended that Be Wiser:

- Pay the £3,000 excess
- Pay £100 compensation for the inconvenience it caused

In response, Be Wiser said that it was only required to mention the excess once and Miss H could have queried it at the time if she hadn't understood. Be Wiser said it ensured customers knew about the high excess by sending out letters to reiterate this feature of the policy. Be Wiser said it was unfair for the adjudicator to have accepted Miss H's account that the second phone call was to query the excess when she could have called about another issue.

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 listened to the 40 minute phone call where Miss H bought the policy. I can hear Miss H is asked what excess level she wants and she says £300. Be Wiser says it has policy for her and lists some of the features but doesn't mention an excess. I think it sounds like Miss H is happy with the price but has a question about paying the deposit. Miss H is then passed through to customer services.

A second advisor does a new quotation for her. Miss H asks for a voluntary excess of £250. The advisor runs through the details of the policy and says there is no voluntary excess. The compulsory excess of £3,000 is mentioned but only once and as part of a list of features. Miss H doesn't react to the high excess figure despite her earlier request for it to be around £300. I think she sounds more interested in whether the payments can be spread over 10 months or 12 months.

I think that it's highly likely that Miss H didn't pick up that there would be an excess payable of £3,000 on the policy during that first phone call. Be Wiser sent its letter with the policy documents highlighting the excess on 19 October. So I think it is likely that Miss H received the letter by 22 October. Be Wiser has a record showing Miss H called on 22 October but says it didn't make a note of what the conversation was about and can't find the recording of the call.

In the absence of the recording or a note I have to decide on the balance of probabilities – that is what I think is most likely to have happened given the wider circumstances. I think based on the evidence it is highly likely Miss H called to discuss the excess. I can't know for sure what was said and I don't think Be Wiser would have deliberately tried to deceive Miss H. But I think Miss H's account of the conversation is credible and fits in with the earlier events. So I think there is a strong possibility that Be Wiser gave her wrong or confusing information during the second phone call about whether the excess was always payable or only payable if Miss H made a claim.

I'm sorry to disappoint Be Wiser and I understand what they've said about Miss H's version of events. But in all the circumstances of this complaint I think it would be fair to give Miss H the benefit of the doubt. I think, on balance, that if Miss H had been given the correct information about the excess during this second phone call she would have cancelled the policy within the 14 day cooling off period.

I agree with the adjudicator that Be Wiser should pay the excess payment and also pay £100 compensation for the inconvenience it has caused her and Miss D.

my final decision

For the reasons set out above, my decision is that I uphold this complaint. I now require Be Wiser Insurance Services Ltd to:

- Pay the £3,000 excess
- Pay £100 compensation for the inconvenience it caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D and Miss H to accept or reject my decision before 21 July 2016.

Sarah Brooks
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