

The complaint

Mr P complained his motor insurance was incorrectly renewed by U K Insurance Limited ("UKI").

What happened

Mr P said he was unhappy when UKI collected a renewal premium from him for over £3,000 without a renewal notice to warn the money would be collected from his bank account.

Mr P's daughter had to wait for 45 minutes while calling UKI to inform it that the collection of the premium was illegal and that her dad wanted the money refunded immediately.

UKI apologised. On investigation, UKI realised Mr P's account had been suspended, so said it shouldn't have collected the renewal. It said this was a mistake.

UKI refunded the payments made and paid Mr P for £250 for the distress and inconvenience suffered.

Our investigator decided not to uphold the complaint. She thought the compensation offered was fair and reasonable in the circumstances of this complaint. Mr P disagreed, so the case has been referred to an ombudsman.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'd like to clarify what I'm considering as part of this complaint as Mr P has raised another complaint that is related. UKI has acknowledged it shouldn't have collected the renewal premium from Mr P's bank account, so there is no need for me to investigate this. I'll only consider whether the compensation was fair.

I won't be considering Mr P's other complaint in relation to his car been written off following an accident, as this has been dealt with elsewhere or any refunds or compensation related to this event. Nor, whether he approved for it to be written off, as this was part of his other complaint.

Mr P became aware the renewal premium had been collected incorrectly from his bank. His daughter notified UKI, and it refunded the money within a few days. UKI also paid £250 compensation. I appreciate Mr P thinks this may have been related to a partial refund of his premium from his earlier insurance period, but UKI have explained it wasn't. UKI also confirmed the date it paid the compensation on. So, if it was unclear to Mr P, I think UKI has clarified this in its final response.

Having considered this complaint, I think £250 is ample compensation for the difficulty getting through to UKI and for the short time Mr P realised he didn't have this money. I think UKI dealt with the refund promptly. So, I don't uphold this complaint.

If Mr P is still unhappy with how his claim was dealt with by UKI, he can still raise a new complaint on this if it hasn't already been reviewed by UKI and our service.

My final decision

My final decision is that I don't uphold this complaint. I don't require U K Insurance Limited to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 29 February 2024.

Pete Averill
Ombudsman