

## The complaint

Miss M complains about her experience when she bought a landlord insurance policy with UK Insurance Limited (UKI), trading as Direct Line.

Miss M's policy was sold and is administered by a Direct Line on UKI's behalf and all of her correspondence has been with it. However, UKI is the policy underwriter so her complaint is against UKI. Any reference to UKI in my decision includes Direct Line.

## What happened

Miss M took out a UKI landlord insurance policy in October 2023. Miss M says, in summary:

- She decided to add extra cover the day after buying the policy.
- She tried to do this via the online chat function.
- UKI's agent told her she'd have to cancel her existing policy and take out a new policy with the extra cover. Her original premium would be refunded.
- When Miss M tried to pay her premium, UKI told her the payment hadn't gone through. UKI took the payment again.
- Miss M realised the payment had been taken twice. She called UKI, explained the situation, and asked it to refund the extra payment.
- She said the extra payment caused her to go overdrawn and she was worried about penalty charges.
- Miss M called UKI again to ask for the policy documents which it hadn't sent her.
- This process took three days.

Miss M complained about UKI taking her premium twice, not refunding her original premium, the start date of her policy, and the missing policy documents.

UKI told Miss M her policy documents were sent and the policy started the day she asked. It accepted that it had made a mistake and taken payment for her premium twice. It offered Miss M £50 to apologise for this and said it would refund both the extra payment and the old premium (£670.40 in total) as quickly as possible, but within 14 days. It also told her it would refund any bank charges she incurred because of this.

Miss M didn't think £50 compensated her for the inconvenience and stress this caused her, so complained to this service.

Our investigator recommended that the complaint should be upheld. He understood why Miss M had been confused by the process of arranging cover over several days. He didn't think UKI's compensation was adequate and thought it should pay Miss M another £75. UKI didn't agree, so the case was passed to me to make a final decision.

## 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.

The facts of this case aren't disputed and are summarised above. The main disagreement is about compensation. Our investigator thought UKI should increase its offer. I agree and I'll explain why:

- There's no question that UKI took Miss M's premium twice.
- I can't see that it told her it would take 14 days to refund her original premium.
- I also don't think Miss M would have expected UKI to take 14 days to refund the premium taken in error.
- A letter dated 1 November implies the refund was only processed on that date.
- Given the circumstances, I think UKI might reasonably have refunded Miss M's payments quicker.
- I'm pleased it offered to refund any penalty charges Miss M incurred as a result of going overdrawn. I think that was fair.
- Miss M hasn't sent us any evidence that she incurred penalty charges.
- However, I'm sure this would have been a stressful period for Miss M. I also see it took three days and several phone calls to arrange cover.
- I haven't seen evidence that UKI told Miss M she could access her policy documents online or explain how to do this.
- I'm satisfied that Miss M asked for her policy to begin on 17 October and it started on this date.

UKI accepts that it made a mistake by taking the premium twice. However, I find that it handled this situation poorly.

I've thought very carefully about our awards in similar circumstances. Having done so I agree with our investigator's recommendation to increase the amount it should pay her. I think UKI should pay Miss M £125.

### **My final decision**

My final decision is that I uphold this complaint and order UK Insurance Limited to pay Miss M £125 to reflect the distress and inconvenience this matter caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 27 July 2024.

Simon Begley  
**Ombudsman**