

The complaint

Mr A is unhappy RAC Financial Services Ltd (“RAC”) renewed his roadside assistance policy in error.

What happened

The circumstances of this complaint are well known to both parties, so I’ve summarised events.

Mr A had a roadside assistance policy which was administered by RAC. He spoke to RAC when his policy was due to renew. RAC’s agent incorrectly advised Mr A that if he didn’t call back to confirm whether he wanted cover or not, the policy would lapse. RAC’s agent didn’t, however, remove the automatic renewal option and so, Mr A’s account was debited £112. Shortly after, RAC sent Mr A cheque to refund him the amount.

Mr A raised a complaint with RAC saying the policy shouldn’t have renewed and asked that the cheque which was sent was reissued as he’d misplaced it. RAC said the cheque had been cashed, and so, it couldn’t reissue it. Mr A disputed this saying it wasn’t showing in his account, and he’d checked with his bank, who’d confirmed the same.

In its final response letter, RAC apologised for the inconvenience caused by renewing Mr A’s policy in error and said it would send a cheque for £30. It maintained it’s position that the cheque for £112 had been cashed and so, it wouldn’t be issuing another cheque.

Unhappy, Mr A brought a complaint to this Service. An Investigator considered it but didn’t uphold it. Because Mr A disagreed, the complaint has been passed to me for an Ombudsman’s 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.

Having done so, I agree with the outcome the Investigator reached and I’m not upholding this complaint. I’ll explain why.

It’s not in dispute RAC incorrectly renewed Mr A’s policy. It’s apologised for this and sent a cheque to Mr A to refund him the debited amount. This is what I’d expect it to do in the circumstances.

It’s also paid £30 compensation to recognise the inconvenience this caused. No doubt Mr A was inconvenienced following RAC’s administrative error as he had to spend time putting it right, but I’m satisfied £30 fairly reflects the difficulties caused and so, I won’t be directing RAC to increase this amount.

What remains is whether it’s fair and reasonable to direct RAC to send another cheque for

the refunded premium. I don't consider it is for a few reasons. Mr A had confirmed to RAC he received the cheque (I've seen evidence of this) – so there's no doubt it was sent to the correct address. And it was issued in his name. The issue seems to be that Mr A misplaced it which isn't something RAC is responsible for.

In some circumstances it might be reasonable to tell a business to cancel the first cheque and reissue a new cheque, but here, I'm not satisfied it is. I say this because I can't ignore the evidence which shows the cheque in Mr A's name and received at his address had been cashed a short while after it was sent. I also note Mr A told RAC *"I'm only trying to figure out where the money is (I may have forgotten that I cashed the cheque in [...])"* So, it's possible Mr A might have cashed the cheque himself but forgotten he had.

I appreciate Mr A has provided bank statements to show it wasn't deposited to his account – but I note he's only provided bank statements for one bank account (when he's mentioned having more than one). So, I don't consider this persuasively shows the cheque wasn't deposited to one of his accounts.

I acknowledge Mr A wants more details about the cheque deposit - namely the bank details it was paid into - but this isn't something RAC can reasonably provide him with. RAC has said it can't see which account the cheque was paid into, so I don't consider it has been deliberately obstructive, nor do I think it has treated him unfairly by not meeting this request.

But whether he or someone else deposited the cheque isn't something RAC is responsible for. And whilst I appreciate Mr A has concerns about fraud because he can't see the cheque being deposited in his bank account, that's outside the scope of this complaint.

So, based on the evidence, I'm satisfied RAC has done what it needed to do to resolve the complaint – in summary it sent a cheque in Mr A's name, which was received by him, and subsequently cashed. And so, I don't consider there to be fair and reasonable grounds on which to direct RAC to reissue a second cheque.

I appreciate my decision will be disappointing for Mr A, but for the reasons set out above, I don't uphold this complaint.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 July 2024.

Nicola Beakhust
Ombudsman