

The complaint

Mr C complains that Open Insurance Services UK Limited incorrectly deducted the premium for his mobile phone insurance policy twice from his account, leaving him in financial difficulty.

Where I refer to Open, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

Mr C holds a mobile phone insurance policy which is arranged and administered by Open. On 25 December 2023, Mr C renewed his policy at a cost of £79.80 for the year.

Shortly after the Christmas period, Mr C's bank card was declined. When he checked his account, he found that Open had taken the policy premium twice; once on 30 December and again on 31 December 2023.

Mr C tells us that as he had other bills to pay and due to the time of year, this left him in financial difficulty. He had no option but to borrow money from his family which caused him extreme embarrassment.

Open says Mr C made contact on 4 January 2024. It found that an isolated incident relating to a system change had occurred and it refunded £79.80 to Mr C's account on 5 January 2024.

Mr C raised a formal complaint, but Open didn't acknowledge it until March 2024. He received a final response on 28 March 2024 which offered compensation of £159.60. But Mr C didn't think this adequately resolved things based on the impact he'd experienced. He wants an apology, and explanation, and £300 compensation. He brought his complaint to our Service.

Our Investigator was satisfied Open's offer of compensation was fair in the circumstances and he didn't think it needed to anything more.

Mr C doesn't agree, his main points being:

- He suffered serious financial distress as a result of the duplicate payment,
- He suffered extreme embarrassment from having to ask his family for money,
- He lost interest on the money for around 5-7 days,
- The delays to his complaint left him further out of pocket with those funds,
- No consideration has been given to Consumer Duty and S13A of the Insurance Act 2015.

The complaint has been passed to me to decide.

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 reassure Mr C that whilst I may have condensed what he's told us in far less detail and in my own words, I've read and considered all his submissions in full. I'm satisfied I've captured the essence of the complaint and I don't need to comment on every point individually, or possibly in the level of detail he'd like, in order to reach my decision. This isn't meant as a discourtesy, but simply reflects the informal nature of our service.

It's not in dispute that Open took a duplicate payment from Mr C's account incorrectly. So I don't need to decide whether Open has done something wrong here – it has. What I need to decide is whether it's done enough to put things right.

Open has explained that a change in its system caused a duplication payment to be taken and it has apologised for this. So I'm satisfied Mr C has had the explanation and apology he's asked for.

I've thought about Mr C's request for £300 compensation. Compensation isn't intended to fine or punish a business, it's to recognise the impact the business' actions have had on its customer. So I've thought about how Mr C has been impacted by Open's actions.

I recognise that due to the time of year, money can be tight and it's common for bills to be paid at the beginning of the month, so I've no doubt Mr C would've been impacted as a result of £79.80 being taken from his account unexpectedly and incorrectly. And I appreciate he felt embarrassed asking his family to help.

I understand that Mr C was without the money for a total of 5 days. And when he notified Open of its error, this was rectified within 24 hours. So I'm pleased to see that Open resolved this quickly and the financial impact and embarrassment to Mr C was short lived.

Mr C tells us that he lost interest on the funds for the 5 days he was without them. But he also tells us that this money was dedicated to bills. So I'm not persuaded that, if Open hadn't taken the £79.80 incorrectly, Mr C would've had it in his account accumulating interest. If he had, there would've been no need for him to borrow money.

Mr C also tells us that Open's delay in dealing with his complaint left him out of pocket for longer. But, from the information I have, Mr C was refunded on 5 January 2024. So I can't see any detriment as a result of Open's delay in actioning his complaint.

With this in mind, - and taking into account the relevant rules, regulations, and good industry practice - I'm satisfied the offer made by Open is generous in the circumstances and I'm not persuaded it needs to do anything more.

My final decision

Open Insurance Services UK Limited has already made an offer to pay £159.60 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Open Insurance Services UK Limited should pay £159.60.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 2 October 2024.

Sheryl Sibley
Ombudsman