

## **The complaint**

Mr H complains that Domestic & General Insurance Plc (“D&G”) incorrectly took payments from his bank account.

## **What happened**

In April 2024, Mr H phoned D&G to query some payments that had been taken from his bank account by direct debit. There was some discussion about appliance insurance policies Mr H held with D&G. It then came to light that the payments Mr H was querying weren’t for the appliance cover. They were for another D&G customer’s boiler cover.

Mr H was advised to contact his bank and raise an indemnity, which he did. About six weeks later, Mr H found that two further payments had been taken from his bank account adding up to more than £300. Mr H phoned his bank, and the money was refunded to him the same day. He contacted D&G and was advised to provide his bank statements so the issue could be looked into. Mr H was concerned that money had been taken from his account without his permission. So, he raised a complaint with D&G.

D&G said Mr H had been asked to provide proof of the payments because the reference he’d provided over the phone wasn’t a recognised policy number. It suggested he email the proof of payments debiting his bank account with the reference to D&G.

Mr H remained unhappy and asked our service to consider the matter.

Our investigator didn’t think D&G had acted unfairly. He thought D&G’s request that Mr H provide some further evidence was reasonable, but he understood why Mr H was reluctant to do so. He suggested that D&G remove Mr H’s bank details from the policy and contact the correct policyholder to reconfirm their details.

Mr H disagreed with our investigator’s outcome. He said his complaint was that D&G had taken money from his account not once, but twice after realising it didn’t have his authority to do so. He felt it was concerning that D&G had asked him to provide copies of his bank statements when it couldn’t manage sensitive information. The first time he’d raised the issue, this wasn’t required. He felt a fair and reasonable solution would be confirmation from D&G that it had destroyed all of his confidential information, recompense for the time he’d spent dealing with its error and an apology. So, 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.

Having done so, I’ve decided not to uphold Mr H’s complaint. I’ll explain why.

It’s not disputed that payments taken from Mr H’s bank account were for a policy held by a different D&G customer. D&G says this was set up some time ago by a third party. It’s not

clear from the information I have if this was due to an administrative error or if someone fraudulently used Mr H's bank details.

D&G says that when Mr H called in early April 2024, he was advised to cancel the direct debit and seek an indemnity claim through his bank. Mr H says he did this. So, I can understand his concern when he found further payments had been taken out of his account in mid-May.

D&G has provided a recording of a phone conversation between two of its staff members after Mr H contacted it in early April 2024. It was confirmed that the policy number given by Mr H related to a different customer. The advice was that Mr H should file an indemnity with his bank, so the bank could contact D&G regarding any refunds or anything suspicious on the account. Then D&G would carry out its own investigation. The adviser told her colleague that they couldn't cancel the payments or do anything at that stage because Mr H wasn't the policyholder.

Mr H has commented that this was a very serious situation where he was defrauded of an amount of money, his personal information was used without his permission and there was illegal access to his bank account twice. He says he would have accepted this was a mistake if it had happened once.

I appreciate it was frustrating for Mr H to find that further payments were taken from his account in May after he'd notified D&G and his bank of the issue in April. And I can understand why he feels this was more than a one-off mistake.

While Mr H was able to receive the funds back straight away due to the direct debit guarantee, the bank would have needed to reclaim the money back from D&G. This should then have prompted D&G to look into what had happened. But this would have taken some time. So, I think it's likely that the initial issue wasn't resolved when the further payments were taken in May.

D&G says that shortly after the indemnity was paid to the bank, the other customer's account was cancelled due to non-payment. Mr H hasn't made us aware of any further instances of incorrect payments being taken from his bank account since May. So, the issue appears to have been resolved.

Mr H has confirmed that all of the payments have been refunded to him which means he hasn't incurred a financial loss. But he feels he should be compensated for the time he spent dealing with D&G's error.

It's unfortunate the issue hadn't been resolved when the further direct debits were taken. But I haven't seen sufficient information to conclude that D&G are responsible for a delay in resolving the issue. It was relying on information from Mr H's bank and it's not clear when it received this.

I appreciate it was frustrating for Mr H to find further payments had been taken after raising the issue and it was inconvenient for him to have to contact his bank and D&G again. However, using financial services isn't always hassle free and our service won't always award compensation even when it's clear that a business has made a mistake.

While I understand Mr H's concerns, I'm not persuaded that D&G deliberately attempted to defraud him of his money. I'm pleased to hear that Mr H received all of the relevant funds back and the issue appears to have been resolved. So, I don't require D&G to do anything further.

## **My final decision**

For the reasons I've explained, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 24 December 2024.

Anne Muscroft  
**Ombudsman**