

complaint

Mr R is unhappy Carole Nash Insurance Consultants Ltd (CNIC) automatically renewed his motorcycle insurance after he had specifically told it not to.

background

Mr R had an existing motorcycle insurance policy which was arranged by CNIC. In April 2018, after receiving a renewal notice, Mr R called CNIC, and asked it not to automatically renew his policy. He said he wanted to see if he could get cheaper insurance through a different provider.

However, CNIC automatically renewed Mr R's policy and took a payment of £719. Mr R called CNIC in early May 2018 to inform it of the error. CNIC apologised and confirmed it would refund the payment back to Mr R within five to seven working days.

Unfortunately the payment was not refunded within that time frame. Mr R called CNIC at the end of May 2018 once he realised the payment still hadn't been refunded. He also raised a complaint with our service. Mr R complained about the delay in getting his refund but also that CNIC had kept his payment details on record after he had asked them to be removed.

CNIC investigated matters and upheld Mr R's complaint. It offered him £100 for the delay in returning his payment. It also apologised for the customer service it had offered Mr R, and confirmed the payment had been refunded to him. CNIC also confirmed it had removed Mr R's payment details from its records.

Our investigator felt this offer was reasonable in this instance. Our investigator also clarified that CNIC should pay interest on the refunded payment from the date it was collected to the date it was returned. CNIC has accepted this.

However, Mr R disagrees. He feels that the £100 doesn't reflect the distress and inconvenience he has been caused. In particular, he feels that he had to spend a significant amount of time trying to resolve the issue, and therefore more compensation is warranted. He also says he wants CNIC to change its processes to ensure this type of mistake doesn't happen again.

As the parties couldn't agree, the file has been passed to me for a final decision.

my findings

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

CNIC agrees that it made an error and took a payment from Mr R which it wasn't entitled to do. It has apologised for this and says that £100, plus interest, is sufficient to recognise the impact this had had on Mr R. Mr R disagrees. He says the compensation should be increased to reflect the amount of time he had to spend to correct the mistake. He also says he wants CNIC to change its processes to ensure this type of situation doesn't happen again.

I've carefully considered Mr R's arguments, and I do appreciate the frustration that has been caused. However, I'm satisfied that the offer which CNIC has made is reasonable in this

instance. Call notes from CNIC show that Mr R called when the initial payment was taken, and then again over four weeks later once the payment hadn't been refunded. Mr R then also called a few days later to raise his complaint. So, whilst I appreciate it has taken Mr R some time and effort to correct CNIC's error, I don't think this was significant enough to warrant a higher award. In my view £100 is sufficient to recognise the impact CNIC's error has had. And for that reason I'm satisfied the award doesn't need to be increased.

I would also add that CNIC will need to make an additional payment of interest to Mr R. This is a separate payment from the £100 compensation, and reflects the fact that for a short period Mr R didn't have use of the money that CNIC took in error.

Finally, Mr R wants us to force CNIC to change its processes to prevent this situation happening again. Our investigator has already explained to Mr R that this isn't the role of our service. Our role is to look at individual complaints and resolve them. And in this instance, for the reasons I've explained above, I'm satisfied that the £100 offered plus the additional payment for interest sufficiently recognises CNIC's error and the impact it has had on Mr R.

my final decision

My final decision is that I uphold this complaint. I require Carole Nash Insurance Consultants Ltd to:

- Pay Mr R £100 if it has not already done so;
- Pay interest at 8% simple on the £719 it took from Mr R from the date it took the payment to the date it was refunded to him*.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 20 August 2018.

Tom Whittington
ombudsman

* If Carole Nash Insurance Consultants Ltd considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr R how much it's taken off. It should also give Mr R a certificate showing this if he ask for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.