

## **The complaint**

Mr S has complained about U K Insurance Limited (UKI) regarding how long it took to provide him a premium refund when he cancelled his van insurance.

## **What happened**

Mr S arranged cover with UKI, to start on 2 November 2021, paying it the premium on 9 October 2021. But on 11 October 2021 Mr S called UKI to cancel. He was told he'd get a full refund within 10 days of the cancellation date. Mr S called UKI on 23 October to chase the refund which he eventually received on 28 October. He was unhappy about how long that had taken, not least as he had had to borrow money in the meantime to get other cover.

UKI said Mr S had cancelled before his payment had cleared on its systems. It said once it had cleared and because Mr S wanted his money back quickly, it arranged to fast track the refund. It said normally the 10 days for refunds is 'working days' and, in this case, would have started on 2 November because that was really the "*cancellation date*" of the policy.

Our investigator felt UKI had failed Mr S by giving him incorrect information and expectations, which had led to frustration and upset. He said it should pay him £100 compensation.

UKI said that its action in fast-tracking Mr S's refund from the point it had realised some confusion had arisen was a fair and reasonable response. It didn't think it should have to do anything more.

## **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, and in short, UKI misled Mr S. It told him on 11 October 2021 that he would get a refund within 10 days. It did not say working days. And it did not explain to Mr S, at that time that a) his payment hadn't cleared yet and the refund could only occur once it had, or b) that the 10 days would only begin on 2 November. Had it done so Mr S would have known that he would have to wait a little while for his money to be returned to him. He may not have been happy about that but he would have understood the process. As it was, he was left with a clear expectation he would have his money back in the very short term. And when that didn't happen he had to find ways to mitigate the situation he had found himself in because of UKI's failure. I'm satisfied he was caused distress and inconvenience and that it's fair and reasonable for him to be compensated for that. I think the sum set by our investigator fairly and reasonably achieves that.

## **Putting things right**

I require UKI to pay Mr S £100 compensation.

**My final decision**

I uphold this complaint. I require U K Insurance Limited to provide the redress set out above at *“putting things right”*.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 5 April 2022.

Fiona Robinson

**Ombudsman**