

The complaint

Mr N is unhappy with the length of time it took Domestic & General Insurance Plc to refund him after he cancelled his policy.

What happened

Mr N purchased two laptops from a high street retailer and at the same time purchased accidental damage cover which was provided by D&G.

Soon after purchase he decided to return the first laptop to the retailer and arranged for a refund of the premium paid for the accidental damage cover which was £80. Not long after returning the first laptop, Mr N decided to return the second laptop and arranged for the accidental damage cover for that laptop to be cancelled on 6 April 2021. He requested a refund for the premium paid on the second policy which was £80.

D&G processed the refund for cover for the first laptop and sent Mr N a cheque to cover this within a reasonable time. They also processed the refund for the second policy on 8 April 2021 however, as the address held on this account for Mr N was incomplete, they emailed Mr N to validate it. Mr N responded on 9 April 2021 and the cheque was processed on 12 April 2021.

Mr N didn't receive the cheque in relation to second policy, so he contacted D&G on 30 April 2021. The agent advised that the second cheque had been processed and should be with Mr N by 14 May.

On 21 May 2021 Mr N called D&G again as the cheque hadn't arrived, and he made a formal complaint about the delay. D&G responded to Mr N's complaint on 27 May 2021. They apologised for the delay but confirmed the cheque had been cashed and deemed the complaint resolved.

On 28 May 2021 Mr N called back as he still hadn't received the second cheque. The agent reviewed the file and explained there had been a misunderstanding. In previous calls the agents had requested the cheque be re-issued but this was done on the account that Mr N had already received a cheque for and cashed so the accounts department didn't process a further cheque.

The handler apologised for the misunderstanding and explained he would arrange for a cheque to be processed. The cheque was issued on 4 June 2021.

In their final response issued on 22 June 2021, D&G accepted their error, apologised and awarded £10 for distress and inconvenience caused. They also added 8% to the refund for the time Mr N had been without it.

Mr N brought his concerns to this service on 21 July 2021. Our investigator felt D&G needed to do more to put things right. She awarded an additional £25 for the distress and inconvenience Mr N experienced. D&G accepted this, but Mr N doesn't feel this is enough to account for the impact on him so it 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.

It isn't in dispute that Mr N was entitled to a refund and D&G made mistakes which caused the delay in Mr N receiving his second refund cheque. So I need to decide if they've done enough to put things right.

I agree with the investigator, I don't think £10 fairly reflects the distress and inconvenience their error caused. It took around eight weeks for Mr N to receive the refund which could have been avoided had the agents Mr N spoke to looked into his concerns thoroughly. Mr N also had to call them on more than one occasion to find out where the cheque was.

However, given that two policies were cancelled at the same time, I can understand how the error occurred. Having listened to the calls, I think the agents genuinely felt they had actioned things correctly to sort things out for Mr N. And the delay occurred due to genuine mistakes and a misunderstanding rather than someone just not actioning what they should have done.

Mr N feels an additional £25 isn't enough to recognise the distress and inconvenience caused and he's explained that it affected his health. I don't underestimate the impact it has had on him and I can understand how frustrating and stressful it was for him.

However, mistakes do happen and the ones made here were clearly in relation to a misunderstanding. I'm pleased to see D&G added 8% to the refund to take account of the time Mr N was without it. I also note one of the agents asked Mr N if the delay was causing financial concern and Mr N said it wasn't.

I know this will be disappointing for Mr N but taking account of this and the sincerity of the apology, I feel an additional £25 is fair and reasonable.

My final decision

My final decision is that Domestic & General Insurance Plc should pay Mr N £25 for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 6 June 2022.

Karin Hutchinson
Ombudsman