

The complaint

Mr M's representative complains on his behalf that Premia Solutions Ltd (Premia) paid his claim settlement to an incorrect bank account that did not belong to him.

References to Mr M or his representative, will include the other.

There are several parties and representatives of Premia involved throughout the claim but for the purposes of this complaint I'm only going to refer to Premia.

What happened

In March 2021 Mr M bought a tyre and alloy wheel cover policy through Premia. The policy was set up on Premia's on-line portal by Mr M. As part of this on-line registration process Mr M provided his bank details.

Mr M made a claim on his policy when he found a screw in one of the car tyres on 18 July 2021. The claim was authorised and Premia sent him a notification to say the settlement amount of £78.75 would be paid in to his bank account within a few days.

The money did not arrive and so Mr M contacted Premia and it advised him that it had paid the settlement to the bank details it held. It was found that the bank details it held were incorrect.

Premia said that as the bank details were uploaded by Mr M it cannot be held responsible for the error.

Premia said it had correctly paid the claim to the account details provided and therefore it deemed Mr M's complaint was unjustified.

As Mr M was not happy with Premia, his representative brought his complaint to our service. The representative said Mr M no longer felt safe dealing with Premia and he wanted a full refund of the policy cost in addition to the cost of the tyre replacement.

Our investigator partly upheld the complaint. He looked into the case and said that Premia should pay Mr M £78.75 plus interest from the date the payment was agreed, because it should have attempted to recover the funds. And it had also given him incorrect information about the bank account number held.

Premia acknowledged the service was not as it would have expected, and it could have supported Mr M more when he raised this issue and offered a £50 goodwill payment. But it did not accept responsibility for the incorrect payment being made.

As Mr M's representative is unhappy with this offer and Premia do not agree with our investigator's view the complaint has been brought to me for a final decision to be made.

In my provisional decision I said

This complaint is about the administration of Mr M's policy. There is no issue regarding the actual cover provided or the authorisation of the claim made for the damaged tyre.

Mr M made a claim on his tyre and alloy wheel cover policy. The claim was agreed and so Mr M paid for the repair and Premia said it would pay the settlement amount by automated transfer to his bank.

The complaint starts after the claim was authorised and agreed but the settlement amount agreed did not arrive in Mr M's bank account.

Premia checked the details it held, and it was found that it had the incorrect details. Premia initially said the sort code was correct and there was a difference with one number in the account number. When Premia confirmed the full bank account number it held, it was noticed that the first six numbers of the account number were incorrect.

Mr M was responsible for adding his bank details in Premia's on-line portal. He did this when he started the policy. He acknowledged that he could have got one digit of his bank account incorrect but did not accept that he could have input all of these numbers incorrectly. He said he 'paid for the policy in good faith, and regardless of how the error happened, it was clearly an error and should be rectified as he was now out of pocket.'

I checked the evidence provided and saw that the Premia representative that initially looked at Mr M's issue could only see the last three digits of the account number it held, so it was correct that there was one number wrong, when only considering these three digits. When all the account number was retrieved the first six numbers were found to be incorrect.

I have looked at the investigations Premia made into this complaint and saw evidence that it had looked closely at who had updated Mr M's account on its on-line portal and it was able to specifically say which computer device was used. In this case the device did belong to Mr M.

Premia said when the bank details were added by Mr M it was not rejected by the banking system, which is usual if the numbers and name do not match. It also said it would have been unable to recall the payment it made as once a payment has been made and is successful, it does not have access to recall it.

Premia have been unable to provide the exact screenshot of where he submitted his own bank details, as this is locked data. However, it provided an example taken from its website, which shows a replication and said an error message would have appeared if the bank account was not a live account in his name.

I accept in this case it is one word against the other. As the bank account data is locked for data security reasons, evidence cannot be provided one way or the other.

When our Investigator gave his view, Premia acknowledge its service was not as they would have expected and it said it could have supported Mr M more when he raised this issue. It offered £50 as a goodwill payment. But it maintained it had correctly paid to the bank account details provided by Mr M.

Mr M rejected this offer and said he had lost faith in Premia's ability to meet his needs and no longer trusted them with his money or his personal data. He said he no longer wished to do business with a company he cannot trust and would therefore like not only the £78.75 refunded but also the full cost for the policy as a refund.

I have checked and Mr M has made no further claims under this policy. In addition Premia have confirmed Mr M provided his correct bank details during the process of the complaint but they have not been held on his account for data security purposes.

After consideration of all the evidence available, I intend to partially uphold Mr M's complaint. Because there is no certainty of the reason Premia held incorrect bank details for Mr M, I intend to require Premia to pay the claim of £78.75 and increase its compensation to £75. As there has been no issue with the policy other than this payment I do not require Premia to refund the premium for the policy. This is because the cover was in place and Mr M could have made a further claim had he needed to. This should be paid in addition to the payment for his claim of £78.75 if not already paid.

Responses to my provisional decision

Mr M's representative responded to say they would be happy to accept the decision and feel it is a fair outcome.

Premia responded to say

- It reiterated that the account the payment was sent to was a live bank account as an error warning did not appear when Mr M submitted his bank details. And the monies were not rejected by the bank when it was sent.
- The example it provided was not from a website it was from the online portal so it could show what Mr M used to provide his details.
- It has provided substantial evidence confirming the policy holder submitted their own details.
- It referred to an email where Mr M has said he had been in a rush when submitting his claim. It suggested that Mr M knows without a doubt he made an error and is blaming Premia, so it pays the monies for a second time.
- Mr M has recently made a further claim on his policy. This doesn't appear to be someone who does not trust Premia.

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.

In response to Premia's points

- I agree the account must have been a live account as the details did not flag an error and the monies were not rejected when sent. However, it does not prove this is a live account in Mr M's name.
- After the example was submitted as evidence, Premia said; *"we have provided an example taken from our website, which should show essentially a replication."* However, I accept the example is from the online portal, as you have now said. It does not make a difference to how the evidence was considered.
- The evidence provided by Premia includes replications of the portal. There is no conclusive proof. We still have a situation of one word against another.
- Mr M did accept he was in a rush and may have made an error with one digit of his bank account but did not accept he had made an error with multiple numbers. This was acknowledged and considered in the provisional decision.

After looking at the evidence again alongside Premia's response to my provisional decision, I don't think it has said anything that requires me to change my decision. I still think there is no certainty of the reason incorrect details were held on Premia's online portal and why the monies paid were accepted when sent by Premia.

Based on the evidence I've reviewed I maintain my provisional decision and I partially uphold Mr M's complaint.

My final decision

For the reasons given I partially uphold this complaint.

I require Premia Solutions Ltd to pay Mr M £75 for the distress and inconvenience caused less any payment it has already made as compensation and the £78.75 that was sent to an unknown bank account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 May 2022.

Sally-Ann Harding
Ombudsman