

The complaint

Ms B complains that U K Insurance Limited trading as Green Flag mishandled her breakdown insurance policy.

Where I refer to Green Flag, I include employees and others insofar as I hold Green Flag responsible for their acts or omissions.

What happened

For the year from July 2019, Ms B had a Green Flag breakdown policy.

In July 2020, Green Flag wrote to her to say that it would automatically renew the policy and that it would collect £88.48 from the card it had on file. On about 3 August 2020, Green Flag collected £88.48 from a card with a number ending in 7602.

About a year later, in July 2021, Green Flag wrote to Ms B to say that it would automatically renew the policy. On about 27 July 2021, Green Flag collected £89.60 from a card ending in 7404.

On 8 October 2021, the bank sent Green Flag a chargeback notification for £89.60. So Green Flag refunded £89.60 to the bank. Ms B paid that amount to Green Flag on about 15 October 2021 on a card ending in 5358.

On about 7 December 2021, the bank sent Green Flag a chargeback notification for £88.48. So Green Flag refunded £88.48 to the bank.

In early January 2022, Green Flag asked Ms B to pay the balance of £88.48. Ms B complained to Green Flag and to the bank.

In a final response dated 17 January 2022, the bank said the following:

"Our fraud monitoring tools identified that your debit card details ending in 7206 may have become compromised so we issued you a new card on 7 July 2021 to protect your account and cancelled the old card on 17 July 2021.

I can confirm that no payment debited your account in 2020 for Green Flag, we are unable to reject a payment 16 months later. Once a payment has been remitted, the only way we would get a card payment back is through the unauthorised transaction process- for example through a chargeback.

The only payment for Green Flag in 2021 was the payment you made on 15 October 2021 on card ending in 5358.

Please note that your account has never had a debit card ending in 7602 or 7404. I would recommend speaking to Green Flag about this to ensure your details have not been mixed up. I am unable to confirm whose card details they are."

In a final response dated 21 January 2021, Green Flag said the following:

“...a refund was requested through the bank on the premium of £88.48 from policy year 2020- 2021. As a result, this premium is now outstanding because the service has been used but payment has not been made...”

Unhappy with that response, Ms B brought her complaint about Green Flag to us without delay.

Our investigator didn't initially recommend that the complaint should be upheld.

In late April 2022, UKI offered to waive the £88.48 outstanding balance for the policy year 2020 –2021. Our investigator recommended that UKI's offer was fair and reasonable in the circumstances.

Ms B disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- For the whole of that year 2020 to 2021, she was not actually covered.
- Green Flag expected her to pay for something she never received, threatening her with constant letters.
- When you are offered auto renewal all you check is the card is correct.
- There was never anything to write off as she was not covered.
- Green Flag tried to get the money from some other customer's card.
- She wants compensation. She wants a full free year with Green Flag from 20 July 2022 to 20 July 2023.

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.

Green Flag received payment in August 2020 of £88.48 for the policy year from July 2020. From what the bank has said, Green Flag received that payment from a card that wasn't Ms B's. I haven't seen enough evidence to say why.

The issue with that card payment didn't come to light until well after the next renewal in July 2021. The chargeback didn't happen until December 2021. So there's no reason to think that Ms B didn't have the benefit of the policy for the year from July 2020. I consider that Green Flag would've responded if her car had suffered a breakdown during that policy year. So I don't accept Ms B's view that she wasn't covered for that year.

The bank has said that Ms B didn't make any payment to Green Flag for the year from July 2020. And – after the card payment was reversed in December 2021- no one had made any payment to Green Flag for her policy that year. So I don't find that Green Flag treated Ms B unfairly by asking her to make payment of £88.48.

Nevertheless, Green Flag has offered to waive that payment. I consider that the effect of that is to give Ms B a free year of cover for the year from July 2020.

Putting things right

I accept that Ms B has been upset by what has happened. But overall I don't find it fair and reasonable to direct Green Flag to pay compensation or to do any more than to waive the payment of £88.48.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct U K Insurance Limited trading as Green Flag to waive the payment of £88.48 for the policy year from July 2020.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 29 July 2022.

Christopher Gilbert
Ombudsman