

The complaint

Mr and Mrs P have complained that the broker One Call Insurance Services Limited (OCISL) incorrectly auto renewed their home insurance policy and wrongly charged a premium.

What happened

Mr and Mrs P bought a home insurance policy through the broker OCISL in August 2020. Under the terms and conditions of the policy they bought, OCISL said it would arrange the automatic renewal of the policy to ensure continual cover in time for the renewal date of 4 September 2021.

OCISL arranged for Mr and Mrs P's policy to renew and collected the premium due on behalf of the insurer. On 7 September 2021 Mr and Mrs P contacted OCISL to say they hadn't wanted the policy to renew.

OCISL said it would cancel the policy on behalf of the insurer. It said Mr and Mrs P would need to pay for the days it was insured at £9.85 along with a non-refundable set up fee of £35.99, totalling £45.84. As Mr and Mrs P had paid a yearly premium of £149.59, this meant OCISL arranged a refund of the balance of £103.75. This took place in September 2021.

However, at the same time Mr and Mrs P contacted their credit card company to dispute the payment of £149.59. The dispute settled in Mr and Mrs P's favour. So OCISL said Mr and Mrs P owed it £149.59.

Mr and Mrs P complained to OCISL. It said it didn't receive the chargeback amount to their credit card.

In June 2022 OCISL didn't uphold their complaint. It provided a screenshot to show it had lost the dispute regarding the chargeback amount of £149.59. It said this happened in January 2022. So it asked Mr and Mrs P to provide a copy of their credit card statement for January 2022 transactions to demonstrate the amount hadn't been received by them. But OCISL said Mr and Mrs P provided copy statements for February and March 2022. So OCISL said it would reconsider the issue once it received a copy statement for January 2022.

OCISL said as the amount of £149.59 was outstanding, it passed the debt to a debt recovery agent and a fee of £25 was added to the amount Mr and Mrs P owed.

OCISL said it would waive the £25 debt fee. The revised balance it said Mr and Mrs P owed was £113.60. This was £149.59 minus the set-up fee of £35.99. So OCISL didn't take into account the £9.85 it originally said Mr and Mrs P owed on cancellation for the days they were insured.

Mr and Mrs P remained unhappy and asked us to look at their complaint.

Our Investigator obtained a copy of Mr and Mrs P's credit card statements from September 2021 to April 2022.

These showed the original payment of £149.59 on 1 September 2022, the refund of £103.75 by OCISL on 9 September 2021 and the disputed payment as a credit to Mr and Mrs P of £149.59 on 10 September 2021. On 23 October 2021 Mr and Mrs P's card statement shows

the payment was deducted again for £149.59 as the amount was in dispute. On the same day, the statement showed the original balance of £45.84 was credited.

So as things showed on Mr And Mrs P's credit card statements, it hadn't received any further credit in relation to the disputed amount taken for a second time on 23 October 2021.

Our Investigator asked OCISL to provide evidence to show the disputed amount had been credited back to the credit card company from OCISL - as the statements showed Mr and Mrs P had effectively paid OCISL £103.75; being the difference between the credited amount of £45.84 and £149.59.

OCISL provided a screenshot which it says shows the sum of £149.59 was claimed back by Mr and Mrs P's credit card provider on 28 February 2022.

Our Investigator could see that OCISL had notified Mr and Mrs P in good time of its intention to renew the policy. So she didn't think it had acted unreasonably here. But she thought it wasn't fair for OCISL to chase Mr and Mrs P for an amount their statements showed it hadn't received back from OCISL. She thought this was something OCISL needed to take up with the credit card provider. The Investigator obtained screenshots from the credit card provider which showed no record of it receiving a chargeback sum of £149.59 to coincide with OCISL's screenshot of the transaction of 28 February 2022.

As the evidence showed Mr and Mrs P hadn't received the benefit of the chargeback payment from OCISL, the Investigator recommended this complaint should be upheld. She recommended OCISL carried out further investigations with the credit card provider to establish the whereabouts of the funds. If in future it can show Mr and Mrs P received the funds, it can look to recover this amount from them. But as things stood, she recommended OCISL stop looking to recover the amount from Mr and Mrs P.

OCISL didn't agree. It said it has shown the amount was deducted from OCISL's account by the credit card provider. So OCISL says it's for Mr and Mrs P to raise a dispute with them.

In September 2022 OCISL told us that it had asked Mr P to provide a copy of his credit card statement for January 2022 as this is the date the transaction was lost. But he provided statements for February and March 2022. However, OCISL maintain that Mr and Mrs P owe a balance following the credit of £149.59 on 28 February 2022.

So OCISL wants an ombudsman 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.

In this case, both the credit card provider and OCISL have provided their evidence by way of screenshots to support their accounts. OCISL says it provided a payment to the credit card provider on 28 February 2022 for £149.59 as a chargeback payment.

The credit card provider has provided evidence to show no payment has been received or applied to Mr and Mrs P's account. Given that previous disputed payments reached Mr and Mrs P's account, it seems something has gone wrong with a payment which OCISL say was returned to the card provider after leaving their account on 28 February 2022.

Ultimately Mr and Mrs P have provided sufficient evidence to show that they have not benefitted from this amount. It isn't showing on their credit card statements to correspond with the amount and date provided by OCISL.

So as things stand, I don't think it's reasonable for OCISL to pursue Mr and Mrs P for a sum there is no evidence it received from OCISL. I think this is a matter for OCISL to investigate

further and liaise with the credit card provider. I don't think it's reasonable for OCISL to pursue Mr and Mrs P directly for this sum - until such time as it can show they have received the benefit of it.

My final decision

For the reasons I've given above my final decision is that I don't uphold this complaint. I require One Call Insurance Services Limited to stop pursuing Mr and Mrs P for the balance it says they owe under the cancelled home buildings insurance policy - as the evidence up to this point shows Mr and Mrs P haven't been the beneficiary of a credit payment from OCISL.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 18 October 2022.

Geraldine Newbold
Ombudsman