

The complaint

Miss B complains about how Action 365 Limited (“Action”) administered her motor insurance policy.

What happened

Miss B had a motor insurance policy arranged through Action who is a broker.

In May 2022 Miss B called Action to make a change to her policy. She was told by Action that she was due a refund of £134.12 because of the change she’d made. This was confirmed to her in a letter.

She didn’t receive the refund, and she chased Action for it. Action confirmed she would receive a refund.

Action later contacted Miss B and told her it wouldn’t be able to refund the money. It said Miss B had an open fault claim on her policy and as such she wasn’t eligible for a refund.

Miss B was unhappy and complained. Action said it couldn’t refund the payment due to the terms and conditions. It apologised for its service, and offered Miss B £50 compensation.

Miss B has also complained to Action about call wait times. Action looked into it and apologised and provided feedback to the appropriate department.

Miss B remained unhappy and brought her complaints to this service. Our investigator looked into them. He said he thought Action’s response to the call-wait complaint was fair.

He upheld the complaint about the refund. He said he thought Action should refund £134.12 and pay Miss B £50 compensation for its service.

Miss B accepted the view, but Action didn’t. It said it had made a mistake and that it was acting in line with the policy terms and conditions.

Because Action didn’t agree with the view, the complaint has been passed to me to make a final decision.

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.

Miss B brought both of her complaints to this service at the same time and I can see our investigator has talked about both of them in the view. I’ve looked at both complaints as part of this decision and having done so I think Action’s response to Miss B’s complaint about call waiting times is fair and reasonable. So I’m not going to ask it to do more.

Having looked at the other part of Miss B’s complaint, about the refund, I’m going to uphold this part of the complaint and I’ll explain why.

Action has said in its final response to Miss B that it wasn't able to refund £134.12 of her premium because she had an open fault claim on her policy. I've not been provided with a copy of Miss B's insurance terms and conditions, but this would seem to be in line with insurance companies in the marketplace.

But Action are operating as Miss B's insurance broker here. As her broker Action made it clear to Miss B that she was due some money back, and it confirmed this in a letter to her. About eleven days later it re-confirms the refund had been requested. It doesn't say that Miss B wasn't entitled to the money.

It also confirms it again in a telephone conversation with Miss B nearly two months after her initial call, which is made by one of Action's senior staff. During the call I can hear Miss B being repeatedly assured that she is due the refund. But at the very end of this call Action says the insurer won't pay out a refund when there's a fault claim under the policy.

Action's response to the view was to say that it had made an honest mistake and I can see in its final response to Miss B it says "an agent advised you with incorrect information". But I can see that it told her she was due a refund, and then re-confirmed it later, and wrote to her to confirm it. When Action discussed the situation with Miss B nearly two months later, it's only at the very end of the call does Action realise why the refund won't be paid.

This seems to me to be very poor service. The initial mistake wasn't realised or acted upon, and it took a senior staff member to understand what had happened. So I don't think it's fair to say this mistake was the action of one agent, it seems to have been because of a series of problems.

I think Miss B was reasonably entitled to expect to receive the refund given the repeated assurances of Action that it was due to her and the time that had passed.

The reasonable thing to do here is for Action to stand behind its assurances that Miss B would receive £134.12 from it, in respect of the premium refund. I think its service has been poor and the £50 it has offered for this is fair in the circumstances. So I direct Action to pay the £50 for Miss B's distress and inconvenience in addition to the £134.12 it said she would receive.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. I direct Action 365 Limited to pay Miss B:

- £134.12 in respect of the refund it promised her.
- £50 compensation for its poor service.

Action 365 Limited must pay the amount within 28 days of the date on which we tell it Miss B accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 27 February 2023.

Richard Sowden
Ombudsman