

The complaint

Mr M complains about the service he received from Liverpool Victoria Insurance Company Limited ('LV') when his landlord insurance policy renewed.

What happened

Mr M called LV before his policy renewed to change his credit card. However, LV collected the renewal premium from the previous credit card details it held for him, which took Mr M over his credit card limit. Mr M was concerned he would be charged for this, and that his credit file would be impacted. He complained to LV about this.

LV apologised for its error and eventually paid Mr M £200 compensation for this. Mr M remained unhappy and brought his complaint to the Financial Ombudsman Service.

Our investigator didn't recommend the complaint be upheld. She thought LV had paid reasonable compensation for its error.

Mr M didn't accept our investigator's findings and so the matter has been passed to me for a 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.

It's not in dispute that LV made an error here. As our investigator has explained, when a business does something wrong, our aim is to place the consumer back in the position they would have been in if not for the error, as far as possible.

Mr M was understandably concerned that LV's error took him over his credit card limit, and that he may be charged for this. However, he managed to avoid this by speaking with his bank and credit card provider.

Although Mr M's credit file was affected for a short period, he was able to have this amended. Again, this was through discussions with his bank and credit card provider.

Mr M says he covered the premium by making a payment from elsewhere, but incurred borrowing costs for this. I assume that's because he made the payment using another credit card. Though I note Mr M had always intended to pay the premium using another credit card, so he would have still needed to pay interest on that borrowing.

Mr M wants LV to reimburse his premium for the year, as well as a compensation payment of £150. I agree with our investigator that a refund of his premium wouldn't be an appropriate outcome, as Mr M has had the benefit of the policy.

However, Mr M did need to spend time on the matter to make sure he wasn't charged and that his credit file wasn't impacted, so he was clearly caused inconvenience. LV recognised

this, and also that it hadn't provided a good level of service to him. For example, Mr M has described how he was told he'd be contacted after he made a complaint, but this didn't happen for around six weeks.

I can understand Mr M's frustration with what happened here. Though, on balance, I'm satisfied the £200 compensation LV has paid him was reasonable in all the circumstances and reflected the impact caused to him.

My final decision

My final decision is that I don't uphold this complaint, as I'm satisfied that Liverpool Victoria Insurance Company Limited has paid appropriate compensation for its error.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 March 2024.

Chantelle Hurn-Ryan
Ombudsman