

## **The complaint**

Mr K has complained that Domestic & General Insurance Plc (D&G) took payments in error from his bank account for someone else's policy for a game console.

## **What happened**

Mr K had a policy with D&G for a game console. He later contacted D&G because he found that it was taking two payments each month from his account. When D&G investigated this, it said there was another D&G policyholder with a games console whose account listed Mr K's bank details. It said both policies had been taken out with a specific retailer and had different start dates. It refunded the cost of the plan.

Mr K contacted the retailer D&G had named. But the retailer directed Mr K back to D&G, as it said it wasn't responsible for the issue. Mr K raised a further complaint. When D&G replied, it said its accounts department had established the direct debit instruction had come from BACS and had said to change the direct details for the other policyholder to Mr K's. It said it had attempted to speak to the other policyholder and to BACS but had been unable to gain any more insight.

So, Mr K complained to this service. Our investigator upheld the complaint. He said D&G didn't seem to be at fault for the additional direct debit instruction. However, there were issues with the explanations given, which caused Mr K distress. He said D&G should pay £150 compensation.

D&G didn't agree it should pay anything further, as it said it refunded the premiums in error. So, the complaint was referred to me.

## **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.

Having done so, I uphold this complaint. I will explain why.

A direct debit was being taken from Mr K's bank for someone else's D&G policy. D&G accepted this was the case. It initially told Mr K the issue was with the retailer he had bought his game console from and refunded the premiums. Mr K then approached the retailer, who investigated and found that the issue was with D&G.

When Mr K approached D&G again, he was still concerned about how his details had been used for another D&G account, including because the explanation D&G had previously provided was incorrect. D&G didn't initially provide any further information. So, Mr K raised a new complaint. When D&G replied it said the issue was with BACS. D&G later told this service the issue originated at Mr K's bank, which it said provided a slightly incorrect reference number that then matched Mr K's account.

I'm aware Mr K has said he raised this with his bank, which told him what D&G said was incorrect. I don't have any more information on this, but I also don't think it's necessary to do so in order to make a fair decision. This is because, regardless of the role of the bank, I still think there were a range of issues with how this complaint was dealt with.

D&G's investigation and explanation for the first complaint was incorrect. The issue wasn't with the retailer. But, because of what D&G had told him, Mr K, understandably, thought it was necessary to follow up with the retailer, including because he had concerns about whether there had been a data breach. So, I think D&G misled Mr K, albeit unintentionally, caused him additional distress and also wasted his time by directing him to the retailer.

When Mr K then went back to D&G, he seemed to have to keep pursuing getting a response from D&G about what had happened, including later having to raise a new complaint to get a reply. D&G has said it took 5-6 weeks for it to determine what had happened. But I still think it could have kept Mr K better informed. I also think when D&G then replied to the second complaint what it said was unclear and seemed to suggest another D&G customer might have access to his bank details. It also didn't say the issue was with Mr K's bank, even though D&G later told this service that it was. So, again, I think D&G provided Mr K with misleading and unclear information, which was likely to have added to Mr K's distress and concern about how his bank details had ended up on someone else's D&G account.

I'm aware D&G has told this service it shouldn't have refunded any of the premiums paid for the other policy. It refunded about £100, which was the full premiums paid. However, it told this service only about £35 of this had been from Mr K's account. It also said it shouldn't have refunded anything because it wasn't its error and Mr K should have got his bank to do this. It confirmed to this service it wouldn't request the money back from Mr K, but said that because it shouldn't have refunded it, it shouldn't have to pay anything further.

However, I think D&G's overall handling of the complaints caused Mr K significant distress and over several months. I think both of D&G's replies were unclear and left Mr K with the impression there had been some kind of data breach, even though D&G now says this wasn't the case and that the issue was with a D&G account number provided by Mr K's bank. Some of the information D&G provided Mr K was also incorrect and caused him additional work to try and find out what had happened. As a result, I think D&G should pay £150 compensation to reflect the impact on Mr K of how it dealt with his concerns and the complaint.

### **Putting things right**

D&G should pay Mr K £150 compensation, which is in addition to any refund it paid.

### **My final decision**

For the reasons I have given, it is my final decision that this complaint is upheld. I require Domestic & General Insurance Plc to pay Mr K £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 6 December 2023.

Louise O'Sullivan

**Ombudsman**