

## The complaint

Mr M is unhappy that Sainsbury's Bank Plc didn't refund his premium promptly.

## What happened

Mr M brought his first complaint to this service as follows:

Mr M had two contents insurance policies, one administered by Sainsbury's and one by another business, which I'll call H. To resolve this, each company would arrange for the underwriter to issue a refund of half the cost. Mr M raised a complaint with Sainsbury's after he'd sent the form to an incorrect address and had to chase a response. As there was no evidence that Mr M contacted Sainsbury's for an address, or that it provided incorrect information, his complaint was not upheld.

This information is provided for context only, and I won't address it further.

## New complaint

Mr M didn't receive the refund he expected, so he raised a new complaint. Sainsbury's said it could only issue the refund once the underwriter had agreed to it, so it didn't think it was responsible for the overall delay. However, Sainsbury's accepted it did cause an avoidable delay of around one month. In recognition of that, it offered Mr M £30 compensation.

Mr M didn't think it adequately addressed the inconvenience he'd experienced or the hours he'd spent on the phone chasing up the refund. So he brought this new complaint to our service.

I issued a provisional decision in January 2024 explaining that I was intending to not uphold Mr M's complaint. Here's what I said:

### ***provisional findings***

*The regulator's principles say that firms must act in the best interests of their customers and treat them fairly.*

*The evidence shows me that Mr M has experienced a lot of administrative delays and I can understand why he'd be frustrated by this. My role here is to look at whether Sainsbury's contributed to those delays and whether they were avoidable. To be clear, I will only be looking at the delays Mr M experienced in direct relation to his complaint about Sainsbury's.*

*The evidence shows that the insurer issued a refund of 50% of Mr M's premium, to Sainsbury's, on 19 June.*

*But it was five weeks before Sainsbury's realised and passed the refund to Mr M. I consider this delay was avoidable, which is something Sainsbury's acknowledged in its final response to Mr M's complaint. To apologise, Sainsbury's offered Mr M £30 compensation.*

*Sainsbury's felt that the compensation our investigator proposed was excessive given the*

amount of the refund. While the amount is not relevant in the strictest sense, I do think it's a reasonable consideration. For example, had the sum been significant, I'd have been looking at whether Mr M lost the opportunity to use the money for other purposes. So I've thought about the impact that Mr M described, and I've acknowledged that he has reason to be frustrated with the overall circumstances. But I can't see any evidence that Sainsbury's delay of five weeks in refunding the premium contributed significantly to the distress and inconvenience. That's because I think it's more likely than not that the sum involved – less than £15 – wouldn't have caused significant or material lost opportunities to Mr M.

Moving on, I've looked at whether there's any action Sainsbury's should've reasonably taken before the insurer issued the refund. Sainsbury's said that Mr M communicated directly with the insurer, so it wasn't aware that it needed to take action.

I've looked at the timeline of events, and I'm satisfied it matches the evidence available for both this complaint and Mr M's previous complaint. I've also listened to the phone calls between Mr M and Sainsbury's, and between the insurer and Sainsbury's. It's clear that Sainsbury's confirmed to Mr M that it would send the refund forms directly to H and that it would contact him again only if there was a problem. The account records confirm this. When the insurer contacted Sainsbury's two weeks later, it was to check the details of the date error Mr M had complained about. The insurer was to respond to Mr M but Sainsbury's also agreed to contact him after checking its notes. It's not clear what was expected of Sainsbury's here because it appeared that the insurer then needed to respond to the refund request.

Based on the evidence, I think it's possible Sainsbury's failed to get in touch with Mr M as there's no record of contact. However, as the insurer made the request rather than Mr M, and the next action required was for the insurer to deal with the refund request, I think it's unlikely any contact by Sainsbury's at this point would've made any material difference.

The next contact was between the insurer and Sainsbury's in early January. I note that the insurer asked Sainsbury's to respond regarding the refund and with a contact number. There was no request to contact Mr M and the email confirmed the insurer was looking into the refund.

The next communication was in June, which is when the insurer issued the refund to Sainsbury's.

Overall, having looked at the timeline of communication, and the action expected as a result of the communication, I haven't identified any evidence that Sainsbury's promised or failed to communicate with Mr M directly.

It has already been determined that the insurer was responsible for issuing the refund via Sainsbury's, which it did. And I've agreed that Sainsbury's delayed passing on that refund for five weeks. Beyond that, I can't reasonably say that Sainsbury's caused any other delays which would've had an impact on the refund. It provided the information for the insurer and in the absence of further contact from Mr M, there'd be no reason for Sainsbury's to follow up on this matter.

The final point I'll make is that, from reading the evidence, it was clear that the communication between parties had become complicated and confusing. This should've been a straightforward matter to resolve but, instead, it dragged on for a year. For this reason I can understand why Mr M became so frustrated. However, as I mentioned earlier, I have only looked at his complaint about Sainsbury's and, in the circumstances, I can't reasonably say that Sainsbury's is responsible for all of the problems. Therefore, it wouldn't be fair to ask Sainsbury's to pay compensation to, essentially, address potential failings by a

*number of businesses.*

*I don't think that Sainsbury's did anything wrong that would warrant £100 compensation, and I'm satisfied that its offer of £30 was fair in the circumstances.*

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

### **Responses**

Sainsbury's accepted my provisional decision, but Mr M didn't respond.

### **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've decided to not uphold Mr M's complaint for the same reasons I gave in my provisional decision.

In the absence of any further comment from Mr M, and for completeness, I looked again at all the evidence to make sure I'd addressed the key issues of complaint fairly.

In doing so, I was reminded of the overall confusion and misunderstanding between all parties involved, not just that between Mr M and Sainsbury's. And, again, I can understand that Mr M was frustrated by the whole matter and, not unreasonably, wanted the matter acknowledged. But I'm satisfied that Sainsbury's paid compensation in a sum reflective of its responsibilities for the delay issuing the refund, and it wouldn't be fair to ask Sainsbury's to pay more for matters outside of its control.

Therefore, I remain satisfied that Sainsbury's paid fair and reasonable compensation for the avoidable delay issuing the refund and I see no reason to ask it to do any more.

### **My final decision**

For the reasons I've explained above, and in my provisional decision, my final decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 February 2024.

Debra Vaughan

**Ombudsman**