

The complaint

Miss B has complained about the way in which Avantia Insurance Limited ('Avantia') trading as Homeprotect continued to charge for her home insurance policy. For the avoidance of doubt, the term 'Avantia' also includes its agents for the purposes of this decision.

What happened

Miss B's home insurance policy with Avantia came up for renewal in June 2023. She complained to Avantia as it had taken funds out of her bank account for the full annual cost when it shouldn't have done. It then continued to ask her to pay just under £446, however Miss B states that she didn't owe this amount.

Miss B said that she was alerted to a problem when a payment came out of her account and called Avantia to say that she didn't need the cover as she'd moved out of the property in December 2022. In addition, she'd previously paid monthly premiums, and not in one go. She asked her bank for assistance, and it re-credited her account with the amount which had been collected by Avantia but Avantia also reimbursed this amount. However, Miss B said Avanti later contacted her to say the payment was still outstanding.

The issue wasn't resolved to Miss B's satisfaction, and she referred her complaint to this service. The relevant concluded that, as at the end of November 2023, Miss B had overall still paid just under £446 for cover she didn't need. By mid-December 2023 however, it appeared that the bank resolved the issue and all transactions cancelled each other out.

The investigator tried to contact Avantia on a number of occasions without success. He upheld Miss B's complaint and recommended that Avantia stop attempting to claim further sums back from Miss B and that it pay interest for a certain period. He also considered that Avantia should pay Miss B compensation for the distress and inconvenience she'd experienced. Avantia didn't respond to the investigator's view. In the circumstances, the matter had been referred to me to make a final decision in my role as Ombudsman.

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.

I've also considered the submissions of the parties as summarised below. Firstly, Miss B felt that any dispute was a matter which should have been resolved between her bank and Avantia. She was also looking to receive compensation for the stress and inconvenience caused. She said that Avantia's agent admitted that it shouldn't have debited her account in the first place and that this occurred due to its own error. She also said that her bank was 100% certain that this was Avantia's error.

Miss B explained that the position on her account was now balanced once again, and the bank was chasing Avanti for the money. However, she felt that she'd been in a vicious circle which had been going on for 8 months so far and she was stressed by it all. She said that she'd been *'through hours and hours of hell in the process'*.

I now turn to Avantia's final response letter dated January 2024. It said that its records showed that it had explained the position to Miss B in July 2023. It noted that she'd recalled the first payment, but that it had also made a separate refund. In the circumstances, it needed to be reimbursed the amount of just under £446. It said that it had again explained the position in July 2023 and that the money had been refunded to Miss B on two separate occasions after it was collected only once. It confirmed that a full investigation had been held into the payments taken and refunded and that no payments were owing to Miss B.

I'm persuaded that Avantia shouldn't have debited in the first place. However, I appreciate that the following error was a matter of timing in terms of the bank's payment re-call and Avantia's reimbursement. Nevertheless, I don't consider that Avantia's communication regarding the matter was sufficiently clear or helpful, and this is particularly the case from November 2023 onwards.

I've considered the evidence sent by Miss B in the form of screenshots from her bank account showing all the relevant transactions processed through her account between June and November 2023. These show that Avantia again reclaimed the relevant sum in November 2023, however this wasn't explained or justified in Avantia's final response letter.

Having reviewed all the available evidence, I concur with the investigator's conclusions in this case. I'm satisfied that no further sums are owed by Miss B to Avantia. I'm also persuaded that Avantia should pay interest for a period of around one month as follows, and also pay Miss B compensation for the distress and inconvenience caused to her by its handling of this matter.

My final decision

For the reasons given above, I uphold Miss B's complaint and require Avantia Insurance Limited to do the following in response to her complaint; -

- Stop attempting to collect any further payments from Miss B.
- Ensure that no debt has been registered against Miss B with any credit reference companies and, if it has, to ensure deletion of any entries regarding this matter.
- To pay Miss B interest on the sum of £445.60 for the period 14 November to 15 December 2023 (when this further sum was again taken out of her account in error) at the rate of 8% simple interest, and within 28 days of Miss B's acceptance of this final decision*
- To pay Miss B £100 compensation for the distress and inconvenience caused, within 28 days of Miss B's acceptance of this final decision.

*If Avantia considers that it's required by HM Revenue & Customs to deduct income tax from the interest, it should tell Miss B how much it's taken off. It should also give Miss B a certificate showing this if she asks for one, so that she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 25 June 2024.

Claire Jones

Ombudsman