

The complaint

Mr B and Miss B have complained about POLICY EXCESS INSURE LTD (PEX) trading as Nova Direct. They aren't happy that PEX took payment for a roadside assistance policy when they didn't go through with purchasing the policy.

What happened

Mr B and Miss B attempted to take out a roadside assistance policy in December 2022 but decided against it. However, they were still charged a premium for the policy on 16 December 2022 and have chased a refund from PEX ever since so they complained to this Service about this.

Our Investigator looked into the complaint for Mr B and Miss B and upheld their complaint. PEX didn't provide its file on the complaint but as the matter was straight forward our Investigator advanced the matter. She felt there was sufficient evidence to show that a payment was made to PEX for £29.99 which PEX agreed to refund in subsequent communications with Mr B and Miss B. And as the refund hadn't been made she asked PEX to refund the payment adding 8% simple interest for the time Mr B and Miss B have been without the money owed.

As PEX didn't agree the matter has been passed to me for review.

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 agree that this complaint should be upheld. I'll explain why.

While this matter has been with me for consideration I have spoken to PEX about the case, and it has provided some additional information – its final response letter (FRL) from December 2022. The FRL says that it has tried to find the transaction without success and suggested that perhaps another party or family member made the transaction. And the letter also said that a cancellation fee would be due in any event.

However, from the additional information that Mr B and Miss B have provided there was further communication after the FRL in which PEX told Miss B that a refund was being processed and should be with her shortly. Unfortunately, payment wasn't ever made despite agreement.

I've also seen confirmation of payment from Mr B and Miss B to PEX for £29.99 so although PEX can't find the payment I'm satisfied, on balance, that a payment was made although for some reason PEX can't trace it. And it is clear that Mr B and Miss B were never provided with a policy as they didn't go through with their purchase, so I think the fair and reasonable thing to do is for PEX to refund the £29.99 and it can raise a separate payment for this. Plus, it is only fair that PEX pays 8% simple interest for the time Mr B and Miss B have been without the money owed.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require POLICY EXCESS INSURE LTD (PEX) trading as Nova Direct to pay Mr B and Miss B £29.99 and 8% simple interest on this from the date of payment (16 December 2022) until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Miss B to accept or reject my decision before 19 August 2024.

Colin Keegan
Ombudsman