

The complaint

Ms P complains that One Call Insurance Services Limited (One Call) are pursuing her for an outstanding balance relating to a car insurance policy which wasn't renewed.

What happened

Ms P had a car insurance policy purchased via One Call between May 2022 and May 2023. In April 2023, Ms P noticed a pending transaction on her bank account from One Call. She contacted One Call as she didn't think the policy was set to auto-renew and the renewal was stopped from going ahead.

At the same time, Ms P also contacted her bank and asked them to make sure the pending transaction didn't debit her account. The payment didn't ultimately debit Ms P's account. But One Call say that after the renewal payment was taken and refunded, a further successful chargeback was made, so they said Ms P has been refunded twice, and she needed to pay them back £249.

Ms P disputed she owed One Call money and provided bank statements and information from her bank to support her position that she hadn't received the amount One Call said was successfully charged back. One Call offered to reduce the outstanding balance to £199 but maintained that Ms P owed them this. The outstanding balance was then transferred to One Call's debt recovery team who have been pursuing Ms P for the balance (with fees added to the outstanding balance).

As Ms P was unhappy One Call were continuing to pursue her for money that she says she doesn't owe, she approached the Financial Ombudsman Service.

One of our investigators looked into things and upheld the complaint. She said Ms P had sufficiently demonstrated she hadn't received the amount One Call say was refunded via a chargeback. Therefore, the investigator said it was unfair for One Call to continue to pursue Ms P for the balance, and that they should cancel the recovery via the debt collection agency. She also said One Call should ensure any negative credit file references are removed and pay Ms P £100 compensation.

One Call didn't agree and asked for a final decision from an 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.

Having done so, I've reached the same outcome as our investigator.

Ms P says that she didn't agree to her policy being automatically renewed. However, this hasn't been addressed by One Call, so I don't know exactly what was chosen at the point of sale. But in any event, Ms P stopped the policy renewing before it did. The crux of this complaint is whether Ms P has received an additional refund that she shouldn't have, and therefore whether she should repay this money to One Call.

Ultimately One Call says they refunded the original payment for the cancelled renewal, and they defended a chargeback request at the same time on this basis. However, One Call says a further chargeback was later applied for, and they were debited £249. One Call therefore says Ms P has received this in addition to the original refund, so they say she owes them this amount (which they reduced as a gesture of goodwill to £199).

To conclude that One Call is acting fairly by asking for this amount from Ms P, I'd need to be persuaded that Ms P has received this when she shouldn't have. However, I don't think, on balance, that the evidence provided supports that she has.

I recognise that One Call has shown the amount has been debited from them, but it hasn't been shown that this was received by Ms P. At One Call's request, Ms P provided a copy of her bank statements. One Call said to our investigator that Ms P only provided them with statements from July to August 2023. But file notes, and copies of emails Ms P provided, indicate that she sent them for the period March to June 2023 too. And One Call's own internal notes show they acknowledge that no refund appears on any of the statements. I've checked the statements myself and agree there is no credit to Ms P's account from One Call.

In trying to resolve matters, Ms P has acted as a go between for One Call and her bank and provided details and information to One Call that her bank provided her. Within this, Ms P's bank confirmed when they raised a chargeback credit to return the money to One Call, along with the reference.

So here, One Call says they've been debited and are owed money, but in contrast, Ms P's bank says they credited the amount back to One Call. I don't know for certain which is correct out of the two, or whether the payment has been lost somewhere in the process, or if there has been some sort of administration issue which has caused the payment to be stuck somewhere. But what I am persuaded by, on balance, is that either way Ms P didn't receive this amount into her account.

Therefore, whilst there may be some difference of view about what happened between One Call and Ms P's bank, I'm persuaded on balance that she didn't receive the funds. And on that basis, I don't think One Call is acting fairly or reasonably by pursuing this directly from Ms P by asking her to pay them, effectively out of her own pocket.

One Call may wish to liaise directly with Ms P's bank, or with their own bank, to challenge the debit/credit dispute, but that's down to them. But in relation to pursuing Ms P for this directly, I'm satisfied Ms P has exhausted all avenues in trying to show she hasn't received the funds from One Call, and the evidence obtained and provided doesn't support that she most likely received it either.

With this in mind, I'll be directing One Call to cancel the outstanding owed balance on Ms P's account and stop pursuing her for this via their debt collection department. And if any negative credit file references have been added to Ms P's credit file in relation to this, they will need to be removed by One Call.

Furthermore, it is clear that this has been a very distressing and frustrating time for Ms P. Despite Ms P providing all the evidence that she was able to in order to show she hadn't received the credit, One Call still continued to pursue this via their debt collection department. In doing so, One Call have continued to highlight the serious repercussions for not paying them a balance which I'm satisfied she'd sufficiently demonstrated she didn't owe them. And for this, I agree with our investigator that One Call should pay Ms P £100 compensation for the distress and worry caused.

My final decision

It's my final decision that I uphold this complaint and direct One Call Insurance Services Limited to:

- Cancel the outstanding owed balance on Ms P's account and stop pursuing her for this via their debt collection department
- If any negative credit file references have been added to Ms P's credit file by One Call in relation to this, they will need to be removed
- Pay Ms P £100 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 18 July 2024.

Callum Milne
Ombudsman