

The complaint

Mr B complains that Domestic & General Insurance Plc haven't refunded his excess payment to him as requested.

What happened

Mr B held a policy with D&G on which he made a claim and he paid an excess payment of £75 on 27 January 2022.

The claim under the policy was then not honoured, and Mr B asked for a refund of the excess payment.

D&G say they made a payment of £75 on 2 November 2023 to the card it was originally on which was Mr B's mother's card, but Mr B says that the account the card was linked to was closed on 8 May 2022, and so the refund was never received. D&G refused to re issue the refund.

Mr B was unhappy with this response and brought his complaint to us.

One of our investigators has looked into Mr B's complaint. She recommended that D&G pay the £75 to Mr B and also pay £50 for the distress and inconvenience caused.

D&G didn't agree with this because they said they had no evidence that the refund wasn't received back to the account and they didn't agree that the £50 compensation was necessary as there was no impact on Mr B - and so the case has come to me to 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.

I have decided to uphold Mr B's complaint, and I will explain why below.

Mr B paid the excess during a phone call with D&G using his mother's debit card on 27 January 2022.

That card was linked to a bank account with Monzo, and I have seen the bank statement for that account which shows the debit payment being made to "Domestic & General Bedworth GBR" for £75.00 on 27 January 2022, which coincides with the call in which Mr B makes the payment to D & G using his mother's card

I have also seen a letter from Monzo bank confirming that the same account in Mr B's mother's name from which the debit was made was closed on 8 May 2022 - which was long before D&G tried to make the card refund on 4 November 2023.

Monzo have confirmed to Mr B that any refund received for the closed account would have been returned to the sender.

And so, on the basis of the evidence I have seen, I'm satisfied that the funds were paid from Mr B's mother's account on 27 January 2022 but have not been able to be returned there, and so neither Mr B nor his mother have received the return of the £75 excess.

D&G have been provided with both the evidence of the debit and the letter from Monzo but they are not satisfied that it is the same account. I can confirm that I have compared the bank account numbers, and I am satisfied that it is.

I can also see in the system notes that D&G were supposed to speak to their Finance team and to see if the payment had been returned but they haven't and so I'm satisfied that the fairest way to resolve this is for D&G to make a payment to Mr B in respect of the £75 excess.

I can see that D&G have raised concerns about refunding Mr B when the payment was made from his mother's account, but this was with her consent and was in respect of services that were to be provided to him, so I don't think it is unreasonable for the refund to be made to him.

In addition, I agree that a £50 payment for distress and inconvenience is warranted, as D&G have not attempted to trace the payment and see if it has been returned to them, causing delay on resolution of this matter and in the return of the funds.

Putting things right

D&G should pay Mr B £75 in respect of the excess refund directly to his account, and a further £50 for the distress and inconvenience caused.

My final decision

My decision is that I'm upholding Mr B's complaint and directing Domestic & General Insurance Plc to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 August 2024.

Joanne Ward
Ombudsman