

The complaint

Miss S complains that she was pursued by BISL Limited for her motor insurance policy premiums after they were refunded twice.

What happened

Miss S applied through an online comparison site for a motor policy with an insurer. BISL arranged the policy and assisted in the administration for the contract she entered into with the insurer. She said she received an email shortly after she applied for the insurance about incorrect information to do with claims she made previously.

On receiving the email, Miss S rang BISL about how her claims were recorded with them versus how they were recorded on external databases. She said she made a mistake and needed to change what a malicious damage claim was recorded as from 'fault' to 'non-fault' since the claim was now closed.

BISL and Miss S discussed other claims that BISL said would need to be noted too. Miss S had another car and BISL said that claims made for any other car on other policies will also need to be disclosed – and will likely increase the cost of her policy.

Miss S said she didn't know that and that she'll want to cancel the policy if it's going to cost her more than £400. BISL gave her instructions on how to do so through a webchat service. On the same day, Miss S cancelled her policy using the webchat service and BISL sent Miss S a letter confirming this the same day.

When Miss S didn't get refunded in the time she expected, she lodged a chargeback through her payment provider. This was successful and she was refunded her premium. BISL also processed a refund of her premium separately to this. So, she was sent the amount for her premiums twice.

BISL sent a letter to Miss S, warning her about the outstanding balance following the cancellation of her policy. It said to stop the balance being passed to a debt collection agency, Miss S should call the number on the side of the letter.

Miss S rang the number to discuss what happened and she was again told to use the webchat service, which she did. BISL asked whether the card provider credited the money back and she said she spoke to the card scheme provider three times who informed her it can take up to 45 days for them to reverse the chargeback – but that this will happen because BISL refunded the money. She said there's nothing she can do to change this.

Miss S was pursued again for the outstanding amount in late March 2024. So, she made a complaint about it. She wrote on an online platform of her experience, saying that BISL were chasing her for money she didn't owe and were claiming they don't deal with the card scheme about chargebacks since it would be down to her to do. She said she'd spoken to the scheme who assured her threatening letters is bullying and that there's a procedure BISL must follow. BISL responded to this saying she should raise a complaint through one of their social media channels, which Miss S did. This was used as the basis for her complaint.

BISL responded in April 2025, saying:

- The cancellation and refund were already agreed between BISL and Miss S before Miss S made the chargeback.
- The payment was issued on 15 January, credited into Miss S's account on 22 January, and they received the chargeback notification on 27 January 2025.
- She'd received the refund twice and one of the payments needed to be returned.
- They couldn't discuss the situation with the card provider – and it was correct to approach Miss S to ask for the funds to be paid back.

When she received the response, she raised a complaint with our Service.

She told us:

- BISL accused her of giving false information about a previous malicious damage claim.
- When the information was corrected, her premiums increased significantly – it was mutually agreed to cancel the policy.
- She was informed the refund would be returned in three to five working days, but it didn't materialise, which is why she raised the dispute with her card company. And BISL refunded her at the same time the chargeback arrived.
- She received letters threatening her with debt recovery.
- She knew the correct processes for reversing the chargeback and was concerned if she paid BISL and the chargeback was reversed, she'd need to fight for her money again which would become a vicious cycle.
- The 'credit control' handlers were abusive and clearly don't understand the mechanics of how finance and credit work.
- They have on a few occasions put her account on hold for her to chase and get their money back. But she keeps being told by the card provider she's not at fault and it isn't down to her to resolve.

Miss S said she wants BISL to write her an apology, remove any markers against her, stop contacting her and to claim the money back through the proper channels.

Our Investigator considered what happened but didn't uphold Miss S's complaint. He said it was clear from the webchat conversation when Miss S should have expected the refund, and it was paid within the expected timeframes. He didn't think there was need for Miss S to initiate a chargeback request as the seven-day timeframe hadn't passed – and she could have spoken to BISL again if she was concerned.

Miss S didn't agree. She said:

- There are concerns over banking laws and processes not being adhered to by a UK registered merchant and the Investigator's outcome is in opposition to those laws.
- Her provider told her it's not her error – it's down to BISL to make them aware the

amount was taken twice so the chargeback could be reversed.

- She attempted to resolve the matter on countless occasions, and it has caused her a significant amount of anxiety.
- Her other insurance providers didn't increase her premiums based on what was recorded on CUE.
- She proposed to pay the money she owes to BISL with the guarantee they wouldn't attempt to get the chargeback reversed.

The Investigator didn't change his position, so Miss S asked for the complaint to be escalated. And it has been sent to me to decide.

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.

Ours is an informal service so I'm not going to respond to every point or piece of evidence Miss S and BISL have provided. Instead, I've focused on those I consider to be key or central to the complaint. But I would like to reassure both that I have considered everything they submitted.

Miss S says that she was told she'd be refunded in three to five working days on the phone call of 14 January 2025. And that she wouldn't have requested a chargeback if the time period hadn't lapsed.

I don't doubt that Miss S remembers it this way. But having listened to the call, I didn't hear the handler mention anything about how long it would take for Miss S to receive her refund. They did say the cancellation couldn't be done over the phone and gave instructions on how to do so through the webchat service. Miss S then followed those instructions. And the webchat conversation did mention how long the refund would take.

It said, *"For deduction on 15/01/2025 384.85 once cleared you will receive the refund with 7 days."*

I'm satisfied the chat made it clear that Miss S will receive the refund in seven days from when it was cleared on their system. But even if I thought it was reasonable to interpret what BISL said as seven days from the date of the chat, it would indicate the money could be expected in Miss S's account on 21 January 2025. It was received one day later than this.

Miss S received an email from her payment provider on 17 January 2025 confirming the disputed transaction – which means Miss S will have made the chargeback on that day at the latest. So, it wouldn't have mattered what day BISL sent the refund as Miss S will have already made the chargeback in any case.

I'd generally expect to see a cardholder has tried to sort things out with a merchant before making a chargeback. And that's the case here – I think it would have been reasonable for Miss S to tell BISL about her concerns before making the chargeback. She didn't and I'm satisfied it was Miss S's own actions that meant the chargeback was started at the same time as the refund was being processed. So, I don't hold BISL responsible for the mistake.

In the case of most chargebacks, a merchant's bank would ask the merchant for their side of the story and any evidence. And the merchant would send any evidence through to defend

themselves.

I've seen an internal email conversation from late March to May 2025 talking about BISL checking the status of the chargeback with their bank. BISL mention that the provider confirmed they had no response to defend the case – and BISL assumed this meant they had no response from Miss S.

I think BISL likely misunderstood the response from the bank as it would have been up to BISL to dispute the chargeback once it was made, not Miss S or her card provider. So, I do think they could have done more to recover the funds once it was discovered that both the chargeback and the refund went through.

BISL likely had 45 days to respond to the chargeback and that deadline has long passed. But Miss S has been paid twice – and BISL is entitled to recover the overpayment from her. So, I won't be directing them to stop doing that.

I've thought about whether BISL have caused any unnecessary distress and inconvenience to Miss S that they should compensate her for. I can see they've been more-than-reasonable in giving multiple extended pauses on pursuing her for payment. And I don't think it would be fair to make BISL compensate for the misunderstanding over their response to the chargeback. This is because I don't think BISL were responsible for Miss S receiving the refund twice in the first place and there were things Miss S could have done to mitigate her own distress. So, I don't think the majority of Miss S's distress was caused by BISL and I won't be directing them to pay any compensation in the circumstances.

BISL sold and administered this policy, but they aren't the insurer. Any complaint about the insurer's responsibilities, including the initial cost of the premium itself, would need to be considered by them – I can't comment on that here. Nor can I comment on any complaint that BISL hasn't already had the chance to consider.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 10 November 2025.

Andrew Wakatsuki-Robinson
Ombudsman