

The complaint

Mr H has complained that U K Insurance Limited (“UKI”) unfairly changed the date of his direct debit without his consent, placed an unfair marker on his credit file and caused him severe anxiety.

What happened

Mr H is a vulnerable customer who has certain diagnosed conditions which I won’t mention in detail here, but which are relevant to his complaint.

In July 2025, his home insurance policy with UKI was due to be renewed. Mr H had always arranged his direct debits to be taken on the 26th of the month to align with his payday. But he says UKI changed his direct debit date at renewal to the 5th of the month, without his consent. He says the renewal paperwork didn’t make the change clear and that it also referenced the 26th which was contradictory and made things confusing.

Mr H says under the Direct Debit Guarantee he should’ve received at least ten working days’ notice of any change, which he didn’t.

On 24 August, Mr H received a missed payment notice. However, on 26 August UKI successfully collected a payment on the correct agreed date.

On 26 September, Mr H made a manual payment of £32.96 under duress to protect his cover and his health, even though he believed the error was UKI’s.

On 29 September, UKI attempted to collect a further payment of £32.81 which failed.

Mr H says UKI issued three separate cancellation notices within one month, dated 7 September, 26 September and 30 September, all citing different amounts and dates. It also then placed a negative marker on Mr H’s credit file due to the missed payment. Mr H says this caused him to have a relapse in his symptoms and caused him excessive anxiety, as he was constantly worrying about the cancellation threats and being left without cover.

Mr H made a complaint to UKI about the contradictory documents it sent him, and the fact it changed his direct debit date without his consent, impacted his credit file, and continued with its cancellation threats whilst his complaint was ongoing, in breach of the FCA’s CONC 7.14 which requires collection and enforcement activity to pause during disputes.

In its response to his complaint, UKI said the invitation it sent on 20 June 2025 made clear that the first new payment would be taken on or just after 5 August. It told Mr H that it also confirmed this in the renewal documents. It said it was unaware of Mr H’s vulnerabilities until the complaint was logged, but that it had delayed the cancellation to give Mr H a further opportunity to bring the account up to date.

Mr H didn’t accept UKI’s response, so he referred his complaint to the Financial Ombudsman Service. Our Investigator considered it, but didn’t recommend it should be upheld. He told the parties he thought UKI had communicated the changes in the paperwork

that was sent to Mr H and that it was Mr H's responsibility to check the documents he'd received. He also thought there wasn't any evidence that UKI was aware of Mr H's vulnerabilities before taking the action it did.

As Mr H didn't agree with our Investigator's conclusions, the complaint was referred to me for an Ombudsman's decision.

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.

As this is an informal service, I'm not going to respond here to every point raised or comment on every piece of evidence Mr H and UKI have provided. Instead, I've focused on those I consider to be key or central to the issues in dispute. But I'd like to reassure both parties that I've considered everything submitted. And having done so, I'm not upholding this complaint. I'll explain why.

I'd first like to clarify that this decision relates to events which occurred up to and including the date of the final response letter of 19 September 2025. Any complaint about events that occurred after that date would need to be raised by Mr H with UKI directly as a new complaint.

Overall, I agree with the conclusions reached by our Investigator. I'm satisfied the change in date from the 26th of the month to the 5th of the month was set out clearly in correspondence including:

- The renewal invitation dated 20 June 2025. This said, *"We'll take the first new monthly payment on or just after 5 August 2025 from your bank account"*.
- The renewal documents sent with the credit agreement dated 22 July 2025. These said, on page 8, *"Amount and date of first Direct Debit £32.96 on 5 August 2025"* and *"Amount and date of remaining Direct Debits £32.81 on the 26th of every month"*.

Based on the above, I don't consider UKI didn't provide Mr H with sufficient notice of the change for the relevant payment. If Mr H was confused by UKI's correspondence, I think he had enough time to query this, given that the information was sent to him in June and July and the payment wasn't to be taken until August. I can't see that he attempted to contact UKI after receiving these communications, to clarify the information it had sent him, if he believed it to be unclear.

Mr H says that following a Subject Access Request ("SAR") he made to UKI, he received information which confirmed that his vulnerabilities were recorded earlier than 19 September.

I've looked at all the information Mr H has provided following his SAR, and I can see there's a record of him disclosing his medical conditions on 11 September and the vulnerability marker was added to his account at his request on 16 September. However, neither of these dates pre-date the cancellation and enforcement actions UKI took, which I'm satisfied it took before it knew about Mr H's vulnerabilities. Whilst other issues have arisen since Mr H disclosed his medical conditions, I'm only considering events up to the date of the final response letter in this decision as I've mentioned. And I can't fairly conclude UKI was aware of Mr H's medical conditions before it changed his direct debit date, sent cancellation notices or reported the missed payment. From what I've seen, I don't think it would've known about the impact the change in date would have on Mr H. It follows therefore, that I don't hold UKI

responsible for the impact this change did have on him.

The missed payment that UKI was unable to collect was reported to credit reference agencies. Again, I've seen no evidence that UKI had any knowledge of Mr H's vulnerabilities when it did this, and financial businesses are under an obligation to accurately report data relating to a customer's account and cannot report incorrect information. So, I'm satisfied it was fair and reasonable for UKI to report to credit reference agencies that a payment had been missed. There are steps Mr H can take to dispute the information shown on his credit file. He'll need to contact the relevant credit reference agencies for more information about how to do this and it's important to note there's no guarantee the disputed information will be removed or that a notice of correction will be added.

A notice of correction is a short explanatory note an individual can add to their credit report. It gives an individual the opportunity to explain why certain information is on their report for anyone searching their report to take into account. The note can be rejected by a credit reference agency. If the credit reference agency thinks an individual's notice of correction is incorrect or is for any other reason unsuitable for publication they'll usually offer a suggestion of how to amend the notice of correction to allow it to be published. If the parties can't agree, then the credit reference agency passes the notice to the Information Commissioner's Office ("ICO"). The ICO will then decide what should be added to the credit report – if anything.

Whilst I note Mr H has pointed out that the SAR response contains some inconsistencies, and doesn't include call recordings or transcripts, copies of certain emails and letters, internal correspondence, notes, or communication between staff, I have to make my decision based on the available information and evidence.

If Mr H is unhappy about the response to his SAR, he can raise this with the ICO and if new information comes to light which Mr H thinks will make a difference to the outcome of this complaint, he should raise this with UKI in the first instance, as a new complaint.

But I'm afraid that for the reasons I've given above, and whilst I'm sorry to disappoint Mr H, I don't consider UKI to have acted unfairly or unreasonably here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 January 2026.

Ifrah Malik
Ombudsman