

## The complaint

Miss O is unhappy with what Premium Credit Limited ('PCL') did when she asked to defer a payment under a running account credit agreement used to fund a home insurance policy.

## What happened

Around January 2025 Miss O entered into a running account credit agreement with PCL to fund the cost of a home insurance policy.

At the end of March 2025 Miss O spoke to PCL and asked to defer her payment for that month until the end of April 2025, as she said she had an emergency and funds weren't available. PCL told her she would need to speak to the broker of the policy to do this as it needed its authorisation.

PCL explained the direct debit had been cancelled and the payment due for the end of March 2025 was returned. Because of this, PCL said it "*initiated cancellation of the Credit Agreement and arranged for reinstatement of payments*".

In order to change the date, PCL cancelled the agreement on 3 April 2025. A new agreement was then set up with the requested payment dates on 10 April 2025.

Miss O complained to the broker of the policy and PCL as she was unhappy with delays and communication about what was happening.

PCL issued a response in April 2025. This said, in summary, that the payments due for March 2025 and April 2025 were going to be taken on 30 April 2025 as requested. And PCL apologised to Miss O that she was told on the phone that the agreement had been cancelled.

It was later confirmed that the March 2025 payment had been taken, and the account was up to date.

Miss O was unhappy with this and referred the complaint to our service. An investigator issued a view and didn't uphold the complaint. In summary, she said PCL didn't cause any unnecessary delays.

Miss O disagreed with the outcome. In summary, she said the investigator should've looked at what the broker did, and this meant the complaint hadn't been investigated properly. And she said she had been left in limbo not knowing if her insurance would be cancelled.

As Miss O remained unhappy, the case has been passed 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.

Having done so, I don't think this complaint should be upheld.

I should first explain to both parties that I might not comment on every piece of evidence or every individual point raised. Instead, I'll focus my decision on what I think are the key facts and the crux of the complaint. This reflects the informal nature of our service.

I know Miss O feels very strongly that her complaint should address the actions of both the broker and PCL. But all parties should note I can *only* look into specifically what PCL did in this decision.

Having reviewed things, I think there are three key questions to answer here. So, I'll address these in turn.

*Did PCL deal with the request to change the payment dates?*

Having thought about this, I'm not sure why the agreement was cancelled and then a new one set back up, or reinstated as PCL referred to it, rather than doing this via a different method. But it is not my place to tell PCL how it should administer the agreement.

It appears Miss O let PCL know about the situation on the same day the direct debit was due, so it doesn't seem unreasonable this couldn't be stopped at this point.

I do appreciate Miss O's frustration that she was directed to the broker to discuss things further. But I don't think this was unreasonable under the specific circumstances here. I can see the broker and PCL then communicated between themselves about the situation.

I can see a letter was sent to Miss O on 14 April 2025 explaining the new credit agreement had been set up with the payment schedule she requested.

I've also seen information from the broker confirming PCL removed the credit searches from Miss O's file from when the agreement was reinstated.

Ultimately, PCL did complete Miss O's request for the March payment to be taken at the end of April. So, I don't think it needs to take further action on this point.

*Were the payments changed in a reasonable time?*

PCL said Miss O first contacted it about the payment on 31 March 2025. It said it found out the direct debit was returned on 1 April 2025.

PCL told Miss O on 3 April 2025 the agreement would be reinstated within roughly one week. And it explained it was reinstated on 10 April 2025.

So, from the direct debit being returned, to the agreement being set back up with the payment schedule Miss O requested, this took around ten days. I don't think under the specific circumstances here that this seems unreasonable.

*Were there communication issues from PCL?*

I've listened to the calls with Miss O.

During the first call, Miss O advises PCL she's had an emergency and needs to defer the payment. As above, I do understand Miss O's frustration that she was directed to the broker. But, I don't think the service she received here fell below what I'd expect.

Miss O then spoke to PCL on 3 April 2025 and she was told the credit agreement would be reinstated. She was told this would take "*a week, roughly*" and was told to wait to receive a letter explaining the new payment dates. Again, I don't think the service she received fell

below what I'd expect.

Miss O then called back a week later on 10 April 2025. She was told the agreement had been cancelled and a that new one wasn't yet set up. I do think during this call it would've been helpful to offer Miss O some reassurance, given this was still within the timeframes given for the agreement to go live, and especially as it appears to have been set up later the same day.

I've carefully thought about this. While I think the service could've been better here, it was confirmed the agreement was set up a few days later. And I've noted PCL apologised for the inconvenience caused in its response to the complaint. Under the specific circumstances, I think this is enough to reflect what happened and I find PCL doesn't need to make any award.

I've also considered that Miss O said she was worried about her insurance policy being cancelled. But I can't see PCL gave her the impression at any point this was the case.

### **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 Miss O to accept or reject my decision before 13 February 2026.

John Bower  
**Ombudsman**