

## **The complaint**

Mr N complains that U K Insurance Limited (“UKIL”) didn’t take payment on the scheduled due date and this caused him some inconvenience.

## **What happened**

In May 2025, Mr N renewed an insurance policy with a third-party insurance provider. To pay for the policy, Mr N took out a credit agreement with UKIL to spread the cost of it over monthly instalments, rather than paying for it in a lump sum.

In July 2025, Mr N made an amendment to his direct debit instruction. A confirmation letter was sent to Mr N, along with details of the amount and date of his next direct debits. This included a direct debit of around £104 which was due on 14 October 2025.

Mr N said that payment wasn’t taken on 14 October 2025 as intended but was rather taken a day later. Following contact with UKIL to understand why payment wasn’t taken on time, Mr N complained to them.

A final response was sent to Mr N, where it was explained that his complaint was partly upheld. UKIL didn’t conclude an error was made in their payment collection but did uphold the service element to Mr N’s complaint and offered him £50 for the distress and inconvenience caused.

Unhappy with UKIL’s response, Mr N referred his complaint to our service.

Our investigator didn’t uphold Mr N’s complaint and thought that UKIL’s offer in their final response was fair and reasonable in the circumstances.

Mr N disagreed with the investigator’s findings. And so, the complaint was 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.

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Having done so, I'm not upholding this complaint and I'll explain why below.

Although I have summarised events and comments made by Mr N and UKIL about the complaint, I have thoroughly reviewed everything provided and have focused on mentioning the important points that have led me to provide a fair outcome on this complaint.

Mr N complains about payments made towards a fixed-sum loan agreement. Entering into consumer credit contracts such as this is a regulated activity, so I'm satisfied I can consider Mr N's complaint about UKIL.

In this instance, Mr N is unhappy that a direct debit payment wasn't made on its scheduled due date. As a result, Mr N said he was unsure that his policy he took out, which the agreement was funding, was still active.

From what I have seen, I'm satisfied that the October 2025 direct debit was due on 14 October 2025, like Mr N has said. And I don't think this is in dispute, as UKIL has also confirmed that the direct debit was due on 14 October 2025.

However, it appears that the direct debit payment was received by UKIL and reported to Mr N's account on 15 October 2025. It isn't clear why the payment was received to Mr N's account a day later than expected, as my understanding is that both UKIL and Mr N's bank provider believe they followed their correct processes.

While I can't be sure who is at fault, I don't think I need to make a finding on this, in order to reach a fair and reasonable outcome. I say this because, I have considered the impact this issue has had on Mr N.

Mr N was informed that his policy remained active and didn't at any point lapse due to the payment being received a day later. So, I can't see that Mr N suffered any detriment due to the payment being received a day later.

Having said that, I'm mindful of the conflicting information Mr N was told during phone calls he had with UKIL when he asked for clarity around the payment and whether his policy was still active. Having listened to the phone calls, I can see why the information Mr N received would have been worrying and unclear.

Thankfully, I can see that this was quickly rectified and the correct information was given to Mr N within a short amount of time. UKIL, due to their mistake, offered to compensate Mr N £50 in recognition of the distress and inconvenience caused.

I think this is fair in the circumstances. So, if Mr N hasn't received this amount from UKIL, I suggest he contacts them directly to see whether it is still available.

**My final decision**

For the reasons I've explained, I don't uphold this complaint. So, I don't require U K Insurance Limited to do anything more here.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 11 May 2026.

Ronesh Amin  
**Ombudsman**