

## **complaint**

Mr K complains that Swinton Group Limited continued to pursue him for an outstanding balance on his motor insurance policy, after it had said it would no longer expect its repayment.

Mr K's solicitor brings the complaint on his behalf.

## **background**

Mr K contacted Swinton to say he had decided not to renew the motor insurance policy he had taken out through it.

Swinton cancelled the policy but then wrote to Mr K to ask him to pay an outstanding balance. It said this was for a period of cover he had already had under the policy, as well as Swinton's £50 cancellation charge.

Mr K complained to Swinton as he did not believe that he owed anything further under the policy. Swinton said that the balance was correctly owed but, as a gesture of goodwill to resolve his complaint, it would remove the balance and no longer pursue it.

But, a few months later, Swinton sent Mr K a default notice. This said he had not made a payment that had been due and he had breached his agreement. Although Mr K reminded Swinton that it had removed the balance and disputed that he owed it any money, Swinton continued to demand repayment of the balance due under the insurance policy. Swinton then sent Mr K a final notice of the debt and passed his details onto a debt collections agency. The agency also wrote and sent text messages to Mr K asking him to make a payment towards this debt.

On Mr K's behalf, his solicitor wrote to the debt collections agency and explained the circumstances. The agency accepted that had been sent Mr K's details in error and it agreed to close the debt down.

Mr K then complained to Swinton about the distress and inconvenience he had been caused through this error.

Swinton said that although it had deleted the debt after Mr K first complained, it was re-opened in error which meant he received further requests for its repayment. It said that it had now closed the debt again but would not pay any further compensation as the debt should have been rightly owed.

Initially, our adjudicator did not recommend that the complaint should be upheld. He said he had not seen anything to suggest Mr K had been harassed for repayment of the debt aside from the default notice and final notice letters. He said Swinton had apologised for and corrected its error. He did not consider Swinton should also make Mr K a payment for his distress and inconvenience.

On Mr K's behalf, his solicitor sent the adjudicator some examples of the high number of text messages Mr K had been sent by the debt collections agency. These asked him to contact it and said that it may visit him at his home address. It also said the debt collections agency had telephoned Mr K and said it would take payments from his bank account. The solicitor

said Swinton had delayed in responding to Mr K when he tried to tell it what was happening and therefore he was caused unnecessary distress.

The adjudicator reviewed his findings and said Swinton should pay Mr K £100 for the distress he suffered through Swinton not correcting its error earlier. He said that Mr K had contacted Swinton about the situation when he received the default notice. The adjudicator said that if Swinton had acted at that point, then the debt collections agency would not have been instructed.

Swinton did not accept the adjudicator's findings. It said it offered to remove the debt on Mr K's policy to resolve his initial complaint, even though the debt was rightly owed. It said its removal should be recognised as compensation.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Essentially, Mr K had two complaint points. The first was that he did not believe that he owed any further money to Swinton, after he decided not to renew his motor insurance policy. When he raised this with Swinton, to resolve the complaint, it said it would remove the debt and no longer pursue Mr K for it.

Mr K was satisfied with that outcome, and accepted this so not to take his complaint any further. So Mr K did not raise this particular point of his complaint with this service at that time, and he has not done so since.

However, Mr K then experienced further problems caused by Swinton. This was his second complaint point, having believed the first one to be resolved. It is this matter that he has brought to our service.

Swinton has accepted that Mr K's debt was mistakenly reopened after it had been removed. Although this may have been corrected shortly after Swinton realised the mistake, this led to Mr K being contacted unnecessarily about the debt's repayment – both by Swinton and the debt collections agency it passed Mr K's details onto. It also did not tell the debt collections agency about the mistake.

Mr K had believed the matter of the outstanding debt to be at an end - he had been told he would not be contacted any more about it. So I can understand it will have been distressing for this to then happen. He was also inconvenienced by having to explain the matter himself, and through his solicitors.

Mr K has not raised the matter of any legal costs he may have incurred from his solicitors. It was his decision to do so and, although I appreciate his reasons for this, I have not seen anything to suggest that he would not have been able to resolve this matter himself.

In all the circumstances, I consider that Swinton caused Mr K unnecessary distress and inconvenience after it agreed to resolve his original complaint. I agree that a payment for £100 fairly reflects this. But I do not consider it is fair or reasonable for Swinton to reopen the debt, therefore going back on its agreement to resolve the original complaint, simply because I find that it should make Mr K a payment for compensation. That resolution was for

the original complaint. So it should not be considered compensation for subsequent (albeit linked) actions that gave rise to a further complaint.

**my final decision**

My decision is that I uphold this complaint. I award Mr K £100 in recognition of the distress and inconvenience he was caused after Swinton Group Limited agreed to resolve his original complaint. I do not expect Swinton to now remove that agreement and reopen the debt.

Cathy Bovan  
**ombudsman**