

## **complaint**

Mr T entered into a credit agreement with Premium Credit Limited (PCL), to fund the payment of an annual insurance premium. He complains that PCL incorrectly charged him a fee for the late return of his signed credit agreement.

The premium initially advised by the insurer was incorrect. Mr T further complains that, when the insurer told PCL the correct (lower) premium, PCL did not properly reflect this reduction in the charges it was making for the credit it was providing.

## **background**

Mr T said that, when he received a copy of the credit agreement to sign, he realised that the premium was incorrect and told both PCL and the insurer. He did not sign the agreement because it included this incorrect information. The documentation set out the 'initial transaction amount' (the premium), the transaction fee charged by PCL (a stated percentage of the premium), and the total amount payable (to be repaid by Mr T in 11 equal monthly instalments).

The insurer corrected the figure, and PCL sent revised documentation to Mr T. This was based on the first monthly instalment as previously calculated already having been paid, and a reduced figure to be paid for the remaining 10 instalments. Mr T disputed these calculations, because the transaction fee appeared to have been increased marginally, even though the premium had reduced and the stated fee percentage was unchanged.

Mr T complained to PCL, who refunded the late return fee but declined to alter the revised calculations. He then referred his complaint to the Financial Ombudsman Service.

Our adjudicator did not think the complaint should be upheld. Mr T asked for his complaint to be reviewed by an ombudsman.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where evidence is incomplete, inconsistent or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

Mr T's recalculated premium was 18.1% lower than the original figure, while PCL's recalculated total amount payable was 15.9% lower. If the total amount payable had been 18.1% lower, Mr T would have paid about £12 less. However, PCL initially provided credit at the original premium rate (although this was reduced within a month), and undertook additional administrative activity because of a mistake made by a third party (the insurer). In these circumstances, and on balance, I am unable to conclude that PCL has acted unfairly or unreasonably in its dealings with Mr T.

Therefore, I find that I have come to the same conclusion as our adjudicator.

**my final decision**

For the reasons explained above, my final decision is that I do not uphold this complaint.

Roy Mawford  
**ombudsman**