

complaint

Ms I complains about the way that Royal & Sun Alliance Insurance Plc (RSA) dealt with her request to amend her car insurance policy, after she replaced her Audi 3 with an Audi TT.

background

Ms I contacted RSA in August 2014 to change the car on her insurance to an Audi TT. She also wanted temporary cover for her old car for 21 days while she tried to sell it. She was told, wrongly, that she only needed to pay £4.35 to do this. She phoned RSA two weeks later to extend the cover on the Audi 3 as she still hadn't sold it. There were three phone calls during which the adviser explained there had been a mistake and she in fact needed to pay £51.39 as well as £13.75 for cover for another week on the Audi 3.

Ms I reluctantly agreed to make the payment by credit card. Later she recovered the £51.39 using a chargeback. In the meantime RSA had agreed to waive the £51.39 and given her a refund. When RSA realised the money had also been repaid by chargeback, it asked Ms I to repay the duplicated payment. It wrote to her about this on 18 December 2014 and again on 7 January 2015, when it warned her it would cancel the policy unless the money was repaid. When Ms I didn't respond it cancelled her policy. Ms I again applied for and received a chargeback – this time for the full cost of the policy, £413.91.

The adjudicator didn't think the complaint should be upheld. He said that RSA acted fairly when it waived the £51.39 and it had correctly calculated the refund Ms I was entitled to when the policy was cancelled on 21 January on a pro rata basis.

Ms I didn't agree with this assessment. She said the policy had been mis-sold and that if she'd been given correct information about the cost when she first phoned RSA she'd have kept the old policy to cover the Audi 3 and taken out a cheaper policy with another insurer for the Audi TT. She asked for an ombudsman to look at the case, so it's come to me for review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

If Ms I wants to pursue her complaint that the policy was mis-sold, I agree with the adjudicator that she'll need to make a new complaint to RSA which she can then bring back for us to consider, if she's not satisfied with RSA's response.

A complaint that a policy has been mis-sold usually relates to the time it was first taken out or renewed. In this case the problem arose when Ms I wanted to change the vehicle on her existing policy and cover her old vehicle until she sold it. She says this took five months to do.

I accept, as does RSA, that when Ms I first phoned RSA she wasn't given the right information about what she needed to pay. However this was corrected when she phoned again several weeks later. At that point she agreed to make the full additional payment of £51.39 that RSA had asked for.

When RSA agreed later to waive the additional payment of £51.39, it put Ms I in the same position she would have been in, if the information provided by the first RSA adviser she

spoke to had been correct. So I'm satisfied RSA took reasonable steps to put right the initial mistake.

As well as the refund from RSA, Ms I also received a chargeback through her credit card company. As Ms I had been paid twice, I don't think it was unreasonable for RSA to ask her to pay back the additional payment she'd received and, when she didn't reply, to cancel her policy. Since then Ms I has obtained a further chargeback despite the fact that she had the benefit of the policy between 9 May 2014 and 21 January 2015.

Ms I hasn't sent in any evidence to show that she could have made alternative arrangements that would've worked out cheaper. Since RSA waived the additional charge, I think it's unlikely that she would have found a better deal. It may be that as the Audi 3 took longer to sell than Ms I had anticipated, she ended up paying more to insure it than she planned, but that isn't due to any mistake on the part of RSA.

RSA has calculated the amount Ms I now owes for the period she was insured on a pro rata basis. There is nothing unusual or unfair in such an approach. The result is that she has only been charged the premium that was agreed at the start of the policy with RSA, giving her credit for the time between the cancellation of the policy and its expiry date.

my final decision

I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms I to accept or reject my decision before 8 February 2016.

Melanie McDonald
ombudsman