

## **complaint**

Mr K complains that Premium Credit Limited should stop chasing him to repay a loan.

## **background**

Mr K signed a loan agreement to fund a motor insurance premium. He only made one monthly repayment before the insurance company cancelled the policy. It refunded about half the premium.

The adjudicator did not recommend that the complaint should be upheld. She concluded that it was reasonable for Premium Credit to have terminated the agreement in line with its terms and conditions. She said that – after the refund from the insurance company – Mr K owed a balance of about £1,000. The adjudicator noted that Premium Credit had reduced the outstanding balance by £250 – which was more than she would have recommended.

Mr K disagrees with the adjudicator's opinion. He says he paid a deposit to his broker as well as the first instalment. He sold his van and cancelled the policy after six weeks, he says.

## **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 the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I accept that Mr K dealt with his insurance renewal through an intermediary broker. I am satisfied on balance that Mr K paid the broker about £250.

I find it more likely than not that - when he told the broker he was thinking of selling his van - the broker told him that it would not be a problem to cancel the policy. I consider that this was broadly true.

I note that Mr K says he sold his van within a few weeks of taking out the loan to pay the insurance. I see that he cancelled his direct debit to Premium Credit.

I note that Mr K says he sent a letter asking for the cancellation of the policy. But neither he nor Premium Credit has produced a copy of any such letter. And – from the number of letters which Premium Credit sent to Mr K and to the broker – I am satisfied that it had not received any communication from or on behalf of Mr K before it terminated the agreement.

In any event, I see that the terms and conditions of the loan required Mr K to pay the whole amount of the loan.

I consider that it was reasonable for Premium Credit to pass on to him the benefit of the refund from the insurers. I understand Mr K's disappointment at the amount of the refund. But I note that – since our involvement - Premium Credit has negotiated and passed on a further £250. Overall, I do not conclude that it treated Mr K unfairly or unreasonably.

**my final decision**

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

Christopher Gilbert  
**ombudsman**