

complaint

Mr G's unhappy that Liverpool Victoria Insurance Company Limited ("Liverpool Victoria") made a mistake when taking payment for his insurance. Mr G wants more compensation than Liverpool Victoria have paid him.

background

In April 2015, Mr G took out his insurance with Liverpool Victoria and paid the year's premium in one lump sum using his debit card. Because of an inputting error, Liverpool Victoria put the payment through twice. They retracted their second request so they only received the payment once. But Mr G's bank ring fenced the amount of their second request (the premium amount). This meant that Mr G couldn't access these funds for a week.

Mr G didn't agree when Liverpool Victoria told him there was nothing they could do. And he's annoyed because he thinks they are blaming his bank. He thinks that they could have fixed their error by refunding the amount they had successfully received from him until the problem was resolved. Or by withdrawing one of their payment requests or by having the reserve removed so his bank would release the funds to him.

Mr G says that his account was effectively emptied by Liverpool Victoria's error. And this happened on a Friday. Mr G says he had to move money from his savings account to prevent further problems. He wants compensation for the inconvenience, anxiety and interest he lost because of Liverpool Victoria's error. And the cost of phone calls that he made to sort things out. He thinks that Liverpool Victoria didn't recognise the impact their error had on the carefully managed household budget he works to.

Mr G thinks the £100 he's already been paid would have been fair compensation if the situation had been resolved quickly. But because he had to survive a week before the situation was resolved, he thinks he should be paid more.

Liverpool Victoria accept that they made a mistake and say that feedback has been given. They say the £100 compensation they've already paid him is fair and reasonable and don't think they should pay him anymore.

Our adjudicator looked at this complaint and thought that Liverpool Victoria had paid Mr G a fair and reasonable amount in compensation. Because Mr G didn't agree, his complaint has been passed to me.

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 Liverpool Victoria had received the premium payment twice, I would have expected them to refund the second payment urgently. But, in this case, they'd only received payment once. The problem was that their actions caused Mr G's bank to ring fence the amount of the premium which meant Mr G couldn't access his funds. In the circumstances, I don't agree with Mr G when he says that Liverpool Victoria should have refunded him his premium. And I don't see how they could have done anything more after they'd cancelled the second request. I think it was unfortunate that Mr G's bank's process was to ring fence this amount for a week.

I think it would have been upsetting for Mr G to receive a call from the supermarket telling him there was a problem with taking payment. Especially as it seems he's very careful in the way he manages his finances. And it would have been frustrating that he couldn't access money he should have been able to use because of Liverpool Victoria's error. But, it seems that he was in a financial position to pay for his shopping anyway – he was able to transfer funds from his savings account. So, I understand that the shopping was delivered to Mr G as planned such that he had his family did have food for the week. Mr G's not suggested that he had to pay any bank charges or otherwise was affected by other payments that were due and couldn't be made.

Mr G says that when he called Liverpool Victoria, they initially told him that they'd not made a mistake with his payment. Mr G says he had to push for his concerns to be looked at by a supervisor who then spotted the error they'd made. This was then explained to him. Mr G contacted his bank but he still had to wait a week to get his money back. Mr G says he spent hours on the phone to the bank and Liverpool Victoria trying to sort out what had happened.

From what Mr G's said, although Liverpool Victoria initially didn't accept they'd made a mistake, it seems that they did accept responsibility within a reasonable time frame (days not weeks). So, whilst I accept that it would have been frustrating for Mr G to have to persuade them they'd made an error, I do think they investigated the issue and accepted responsibility quickly. And it seems that the whole situation was resolved within a week because Mr G's bank allowed him access to the funds previously ring fenced. It seems Mr G made a few phone calls during this time to sort things out.

I think the amount Liverpool Victoria have already paid Mr G is fair and reasonable. I say this having taken into account the effect I accept Liverpool Victoria's error had on Mr G, the cost of the phone calls and any interest he lost. It follows that I'm not upholding his complaint.

my final decision

My final decision is that I don't uphold Mr G's complaint against Liverpool Victoria Insurance Company Limited and don't require them to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 October 2015.

Lisa Wright
ombudsman