

## **complaint**

Mr P complains that his agreement was cancelled even though the information he received from Premium Credit Limited suggested his payments were up to date.

## **background**

Mr P entered into a finance agreement with Premium Credit to make the payments due under his insurance policy.

Mr P says that he received an email from his insurer on 17 July 2018 saying that his payment hadn't gone through and he needed to make payment by 28 July or his policy would be cancelled. Mr P says that he was travelling at the time and when he got to his destination he tried to make a payment. However he received a message saying this wasn't possible so he called Premium Credit and a recording said his next payment was not due until August. Because of this he says he thought that his payments were up to date. This was not the case and his policy was then cancelled.

Mr P says that although there was enough money in his account at the time the payment was due his direct debit was returned. He says he has offered to make the payment after the agreement was cancelled but this wasn't accepted.

Premium Credit says that it collects payment on behalf of Mr P's insurer. It says that Mr P's bank informed it on 16 July that a payment had been returned unpaid for a second time. It wrote to Mr P saying what needed to happen to prevent his agreement being cancelled. It says that although Mr P contacted it on 25 July he was not connected to an agent and it says that the message he would have received from the automated system was that a payment was due. It says that it didn't receive payment by the due date and so his credit agreement was cancelled.

Our investigator did not uphold this complaint. She said that as Mr P didn't provide his bank details on the call she didn't think it reasonable that he thought payment had been made. She said that the onus was on Mr P to ensure that his July payment was made.

Mr P did not accept our investigator's view and asked for his complaint to be passed to an ombudsman.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconsistent or contradictory, I have made my decision based on the balance of probabilities - that is what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr P said that he received an email on 17 July about his payment not being made and that this needed to be made by 27 July. I have also seen a copy of a letter dated 16 July from Premium Credit giving the same information. This letter makes it clear what would happen if the payment was not made in time and also that no further attempts would be made to take the payment.

Mr P says he made two attempts to make the payment online and has provided a screenshot of a message saying 'we are currently unable to process payments for this Credit Agreement. We only process card payments on Credit Agreements which are in default.' The message does not have a date on.

Mr P called Premium Credit on 25 July and says that the automated system said his next payment was due in August. Mr P says that because of this he thought there were no issues with his account. He also says that as he was abroad he was not able to access his bank statements. In contrast Premium Credit said that if Mr P had called the automated system he would have been told a payment was due.

A recording of the call made is not available as Premium Credit says recordings are only available if the consumer talks to an adviser. Mr P said that on the call he wasn't given an option to talk to an adviser. However I note Premium Credit's comments that he disconnected the call part way through.

On balance, I accept that Mr P made attempts to contact Premium Credit before the payment deadline and I understand the comments he has made about the information he received. However, given the letter dated 16 July made it clear that no further payment attempts would be made I find that Premium Credit had done enough to make Mr P aware that if he didn't make a payment before 27 July his agreement would be cancelled. Mr P says he can't remember seeing the letter and it is possible this arrived after he had travelled abroad, however I note he also received an email at the time which made it clear he needed to make a payment.

Because of this, I think it reasonable that Mr P would have known he had to make a payment before the date even if other information he received did not make this clear. As the payment was not made by the required date, I do not find that I can say Premium Credit did anything wrong by taking further action.

On balance, I do not uphold this complaint.

### **my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 April 2019.

Jane Archer  
**ombudsman**