

complaint

Mr B complains that Premium Credit Limited unlawfully demanded payment after he cancelled his insurance policy.

background

Mr B was paying his insurance premium with the benefit of a loan from Premium Credit. He cancelled the policy and his direct debit mandate when he sold the car.

He paid the outstanding balance direct to the insurance company but received two arrears letters from Premium Credit. Premium Credit says this was because it didn't know Mr B had cancelled his policy.

Mr B says Premium Credit's letters are unlawful.

Our adjudicator didn't think Premium Credit had done anything wrong.

Mr B doesn't agree and has asked for his complaint to be referred 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.

Premium Credit has explained that the letters were sent automatically when Mr B's instalments couldn't be collected by direct debit. At that stage, it wasn't aware that Mr B had cancelled his policy.

It has explained that the demand in the first letter was for the four payments it believed were outstanding at the time. The second letter covered five outstanding payments, as one of Mr B's payments was returned unpaid after he'd cancelled his payment instruction.

Premium Credit has since confirmed that Mr B doesn't owe any more money. It's also said that it hasn't recorded any adverse information on his credit file.

I am satisfied that Premium Credit hasn't behaved unlawfully or unfairly. I am also satisfied that Mr B has received an adequate explanation about what happened.

my final decision

For the reasons given I do not uphold Mr B's complaint against Premium Credit Limited. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 January 2016.

Athena Pavlou
ombudsman