

complaint

Mr B complains that Premium Credit Limited has charged him for providing credit which he did not realise he was taking out. He wants these charges to be refunded.

background

Mr B took out an insurance policy with another company. He signed a credit agreement with Premium Credit in relation to the premiums.

Mr B says that he did not realise that the monthly payments he was making included a fee payable to Premium Credit. He says that he could afford to pay the premiums without taking out finance and that he should not have been charged these fees.

Premium Credit say that Mr B signed its terms and conditions, which set out that this is a finance agreement and that a fee is payable. It says that it and the insurance company have written to Mr B regularly throughout the life of the agreement setting out the extension of the finance and the terms which would apply.

The investigator thought that the information which had been provided to Mr B made clear what the nature and terms of the agreement were. They thought that Premium Credit had done nothing wrong.

Mr B did not agree and so this has come to me for a final decision.

my findings

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

The initial agreement is clearly labelled as a credit agreement and sets out that a fee is payable. While Mr B says that he did not appreciate that it was a finance agreement, I think that the documentation is clear about this.

Having considered the letters which have been provided, I cannot agree that the fee has been mislabelled or hidden in any way. The fundamental nature of the agreement, and its continuing nature, was set out properly.

I am sure that Mr B is right when he says that he could have paid the premiums without taking out finance, and I can understand his frustration. But I cannot see that Premium Credit has done anything wrong here.

my final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 August 2017.

Marc Kelly
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