

complaint

Mr O complains that Premium Credit Limited (PCL) wrongly cancelled his agreement.

background

Mr O took out a credit agreement with PCL to pay for his car insurance. On 6 December 2014 he asked PCL to move his payment date from the 8 to the 17 of the month. PCL said it couldn't do that because there wasn't enough time. The direct debit was rejected on the 8 December because Mr O didn't have enough money in his account. Mr O paid in a different way to bring his account up to date.

On the 2 January 2015 Mr O sent an email to PCL explaining he wasn't sure when his direct debit was coming out but asked if it could be on the 14 January. On the 6 January 2014 PCL said that it wasn't possible to change to 14 and Mr O should contact his insurance broker. Because of an error the direct debit was claimed on the 13 January but Mr O didn't have the money. On the 15 January Mr O was sent a letter by PCL which wrongly said that the agreement had ended. Mr O was told in the letter to contact his insurance broker to make other payment arrangements. After he had this letter Mr O sent a payment to PCL and in his letter said he was aware the agreement was cancelled and this was the last payment.

PCL contacted Mr O's insurance brokers to make sure Mr O wanted to cancel and the insurance brokers told PCL to return the payment and cancel the agreement.

Our adjudicator didn't recommend that the complaint should be upheld. He thought that it wasn't PCL's fault that the agreement had been cancelled. Mr O didn't agree and said that PCL had tried to take the payments on the wrong dates and had told him that it would take the payment on the 14 and was covering this up.

my findings

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

I can appreciate why Mr O is upset about the situation but I agree with the adjudicator and I don't think that PCL has done anything wrong. PCL told Mr O in December that it couldn't move his payment date because there wasn't enough time. I can understand why Mr O wasn't sure what was happening in January and asked PCL to move the payment date again. I think that the information that Mr O was given on the 3 January was a bit confusing and I'm not surprised he asked for clarity. But on the 6 January he was told that the payment date couldn't be moved and he was told to contact his insurance brokers. I think that this was clear enough.

I would have expected the direct debit to be claimed on the 8 as there had been no agreement to move the date. PCL has said that because of an error it was claimed on the 13. Mr O has confirmed that there wasn't enough money in the bank on either of those dates and he wasn't charged any bank charges on the 13. So in the circumstances I can't say that PCL's error in trying to take the direct debit on the wrong day has had any effect on Mr O.

It seems to me the crux of Mr O's complaint is that the agreement was cancelled when he was trying to make payments and change the payment date. PCL has explained that it wrongly told him the agreement was cancelled in the letter of the 15 January. That letter also

told Mr O to contact his insurance brokers. Mr O wrote to PCL with another payment and PCL asked Mr O's insurance brokers what to do. It would have continued with the agreement but the insurance brokers said not to. I can't say that this is PCL's fault.

I know that Mr O thinks that PCL has tampered with the email's that have been sent but I don't have any evidence that this has happened. I think that the information that Mr O was given on the 6 January was clear and I don't have any evidence to suggest that this email isn't genuine.

my final decision

My final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 16 November 2015.

Emma Boothroyd
ombudsman