

complaint

Mr A held insurance with Royal & Sun Alliance Insurance Plc ("RSA") and he complains that it lost his personal information.

background

RSA wrote to Mr A to apologise that it had lost his data that was contained on a hard drive. RSA couldn't be sure whether the data was lost or stolen – but it says it reported the matter as a theft when the hard drive couldn't be found. It offered to pay Mr A for two years of fraud protection through registration with a fraud prevention company.

The adjudicator investigated the matter and during this time RSA offered Mr A £300 compensation for the trouble and upset caused. The adjudicator thought this was fair but Mr A didn't agree and referred the complaint to an ombudsman.

Mr A has said the matter has caused him a great level of stress. He also said that he'd be applying for a mortgage soon and any application he'd make would be under scrutiny because of the use of a fraud prevention service.

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 understand Mr A's concern and worry about the loss of his personal information.

Mr A doesn't think £300 is enough compensation because it's caused him great stress and personal time. I need to look at what impact this has had on Mr A and whether £300 is reasonable. There's no evidence that the data was compromised or misused in anyway and Mr A hasn't suffered any direct loss because of it.

Mr A has said for the next two years every application he makes for finance will be under intense scrutiny by every financial lender because of the fraud prevention registration. I've looked at the fraud prevention agency's website. Registration tells any organisation to pay special attention when personal details are used to apply for the products or services. Extra checks will be carried out, which may take more time, but it doesn't affect a credit score.

Based on this I can't see that the protection is unsuitable as the effect is that extra attention by an organisation is encouraged. This might take more time but it gives an extra level of security.

Mr A has also said the matter caused his back pain to flare up, which he's had to speak to his HR department about. But Mr A hasn't provided any medical evidence of this. I don't doubt that Mr A has back pain but he's not shown that the data loss caused this.

I think RSA's offer of £300 compensation and paying the fraud protection fee is fair and reasonable.

my final decision

My final decision is that Royal & Sun Alliance Insurance Plc's offer of £300 compensation is fair and reasonable so it should pay this to Mr A within 28 days of him accepting this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 June 2016.

Peter Whiteley
ombudsman