

complaint

Mr and Mrs C complain that Lloyds Bank General Insurance Limited claimed to have refunded insurance premiums to them twice and wrongly pursued them for reimbursement. They say that Lloyds hasn't offered them adequate compensation for the stress they suffered.

background

Mr and Mrs C discovered that they were paying for contents insurance from which they couldn't benefit. Lloyds refunded their premiums in June 2015. However, it then discovered that a second refund had been paid and sought reimbursement.

In calls and letters Mr and Mrs C explained that they hadn't received a second payment. In January 2016 Lloyds discovered that the duplicate payment had been sent to a holding account and hadn't been received by Mr and Mrs C. It apologised and paid £50 compensation to Mr and Mrs C for their time.

Mr and Mrs C said Lloyds made them feel they were being accused of theft and they were worried about bailiffs when Lloyds said it would recover the money. They said the compensation was inadequate. Lloyds said the refund of premiums made to Mr and Mrs C hadn't been reduced for a claim they had made and included £100 compensation.

The adjudicator said that Lloyds had mishandled the refund of premiums and spent a long time trying to obtain a reimbursement of an overpayment that Mr and Mrs C hadn't received. She said Lloyds had agreed to increase its offer to £300 compensation and that this was fair and reasonable.

Mr C disagreed about the compensation. He said he'd been suffering from ill health and Lloyds had caused a lot of stress and they wanted about £1,000 compensation. As the parties couldn't agree, the complaint has been referred 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.

It was very frustrating for Mr and Mrs C to have explained to Lloyds that they hadn't been refunded the premiums twice, but still be pursued for reimbursement. There were difficult phone calls and Mr and Mrs C went to their bank to investigate where the money had gone.

I'm pleased Lloyds discovered where the money went and apologised to Mr and Mrs C. But given the time taken to resolve the problem I don't think Lloyds original offer of £50 was sufficient for Mr and Mrs C's trouble.

I agree with the adjudicator that Lloyds' new offer of £300 compensation is a fair reflection of the trouble and upset caused to Mr and Mrs C and is consistent with similar awards we have seen.

my final decision

It is my final decision that the complaint is upheld. I require Lloyds Bank General Insurance Limited to pay Mr and Mrs C £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before xx April 2016.

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Andrew Fraser
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