

The complaint

Miss S complains that Close Brothers Limited (trading as Close Brothers Premium Finance) failed to identify her when she phoned it, and changed the description of her direct debit.

What happened

In March 2022 Miss S took out a credit agreement with Close Brothers to fund her purchase of a home insurance policy with Swinton Insurance. Under the agreement she was to pay Close Brothers £17.70 a month for eleven months, starting in April 2022 and expected to end in February 2023. She was making these payments by direct debit, and on her bank statement these payments showed up as "CLOSE-SWINTON".

In January 2023, Miss S checked her bank account and saw something (it turned out to be a cancelled direct debit) which was described as "Close Brothers Ltd". She says she didn't recognise it, and she didn't know who that company was. She was very concerned that there might have been an attempt to commit fraud on her account. She phoned Close Brothers' motor finance department to ask about it, but they were unable to identify her at first, upsetting her further. Close Brothers called her back and explained that it related to her policy with Swinton Insurance.

Miss S complained about that the name on her direct debit appeared to have changed, and also complained about Close Brothers not recognising her when she first called. Close Brothers wrote to her and apologised for its call handler not having been able to identify her on the original call. In a further letter it explained that this had happened because its motor finance department did not have access to records of its premium finance customers. It also said that Miss S's direct debit had been cancelled in January 2023 by Swinton Insurance, who had paid the rest of the money owed under the credit agreement. Close Brothers did not uphold her complaint about how this had appeared on her bank account.

Miss S brought this complaint to our service, but our investigator did not uphold it. She thought that an apology was good enough for the problem on the phone call. And she thought that Miss S should reasonably have been aware that Close Brothers had been funding her insurance policy, because it had sent her correspondence telling her that in March 2022, and Miss S had signed a credit agreement with them. Miss S asked for an ombudsman's decision.

What I've decided – and why

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

Having done so, I do not uphold it, for broadly the same reasons as my colleague gave.

I have seen the credit agreement. It says "Close Brothers Premium Finance" in large letters at the top. It goes on to name Swinton Insurance as the insurance broker. Miss S has signed it. She must also have signed a direct debit mandate to Close Brothers at the time. I have also seen Close Brothers' welcome letter, direct debit details and payment summary, which

all have its name and logo on them. So I think that Close Brothers did enough to inform her that it had provided her with credit to pay for her policy.

It appears that on 18 January 2023 Miss S decided to pay her final instalment to Swinton Insurance, who had therefore cancelled her direct debit and forwarded her payment to Close Brothers. The cancelled direct debit showed up on her bank account as belonging to Close Brothers Ltd, and as having been originally set up on 20 March 2022 with the first payment on 4 April 2022, and cancelled on 18 January. If Miss S did not recognise it for what it was, then that is not Close Brothers' fault.

I think that an apology is an adequate response for what happened on the phone call.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 14 August 2023.

Richard Wood
Ombudsman