

## **The complaint**

Mrs A complains Professional Centrum Limited trading as Global Accidents (PCL) haven't paid her the compensation they've received for her personal injury claim following a road traffic accident

## **What happened**

In June 2018, Mrs A was involved in a road traffic accident in France. PCL were instructed by Mrs A to manage a personal injury claim for her.

Mrs A said the third-party insurer (TPI) sent the compensation for her personal injury claim to PCL in February 2020. Mrs A said she hasn't received any of this payment from PCL. She complained to them. PCL didn't respond to Mrs A's complaint, so she referred her complaint to us.

PCL said they no longer had access to some of Mrs A's details because of business changes. But said they'd paid Mrs A in cash. Our investigator wasn't persuaded by the evidence she'd seen. And said PCL should pay Mrs A £2,812.50 plus 8% interest. And £100 for the trouble and upset that had been caused.

PCL didn't agree they said they'd shown evidence of the payment being made in cash. And this was a usual payment method as some of their clients couldn't accept payment by bank transfer. PCL asked for an ombudsman to decide.

I issued a provisional decision in June 2022 that said:

## **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'm currently minded to uphold this complaint. I'll explain why.*

*Up until 31 March 2019, claims management companies (CMC) were regulated by the Claims Management Regulator. And complaints about CMCs were dealt with by the Legal Ombudsman. On 1 April 2019 the regulation of CMCs switched to the Financial Conduct Authority, and complaints moved to the Claims Management Ombudsman.*

*Mrs A's accident happened in 2018 while in France, but her complaint is about a compensation claim that she said should have been paid in 2020. Some CMC activities fell out of the jurisdiction of the Claims Management Ombudsman after they moved in April 2019. But Mrs A's complaint is about a personal injury claim. And certain claims involving personal injury since 1 April 2019, can be considered as part of our claim's management jurisdiction.*

*PCL has shown that in January 2020 the third-party insurer (TPI) offered £3,000 along with treatment costs of £735 as settlement for Mrs A's personal injury claim. In the same month*

*PCL sent an email to the TPI saying Mrs A had accepted the settlement offer. I can see that in February 2020 Mrs A signed a form of authority that authorised the TPI to pay the settlement offer to PCL.*

*PCL said the TPI sent the payment to them by cheque that included all of Mrs A's compensation, fees and disbursements. And said Mrs A was paid this, less PCL's fee of 25%. At first PCL said this was paid by bank transfer in March or April 2020. And later said Mrs A was paid her compensation between 21 and 23 March 2020. PCL have also sent an invoice dated 10 April 2020 that said the settlement was paid to Mrs A in cash.*

*PCL told us their accountant had managed to get the bank statements for around the relevant time. But PCL haven't provided as requested any bank statements showing the receipt of the cheque, a bank transfer or this amount of cash being withdrawn. I know PCL said they'd had data taken and various employees had left. But the onus is on PCL to provide evidence to show that they'd paid Mrs A her compensation.*

*PCL said that data was no longer available because of a breakdown within the business structure. But the Claims Management – Conduct of Business says:*

#### *CMCOB 2.4 Record keeping*

*"a firm should have appropriate systems and controls in place with respect to the adequacy of, access to, and the security of its records so that the firm may fulfil its regulatory and statutory obligations. With respect to retention periods, the general principle is that records should be retained for as long as is relevant for the purposes for which they are made."*

*And*

#### *CASS 5.5.84 – Records*

*"A firm must ensure that proper records, sufficient to show and explain the firm's transactions and commitments in respect of its client money, are made and retained for a period of three years after they were made."*

*The invoice PCL say is evidence that they paid Mrs A her settlement offer in cash shows a total amount of £3,750. Mrs A's compensation was £3,000 with treatment costs of £735, in total £3735. After deducting PCL's fee of 25% this would leave a balance of £2,801.25 not as PCL's invoice says £2,812.50. PCL said it wasn't unusual for some clients to be paid in cash and showed some examples of when this may have happened. But they haven't shown a witnessed or signed receipt showing the cash was paid and accepted by Mrs A for her compensation.*

*While I understand the difficulties, PCL have experienced they've given conflicting and inaccurate information. So, I'm not satisfied that they have paid Mrs A her compensation. And I don't think its fair and reasonable for Mrs A to be impacted by the conflict that's happened within PCL's business model. I'm persuaded by Mrs A's testimony that she hasn't received the compensation that she is entitled to.*

*So, I agree with our investigator that PCL should pay Mrs A her compensation less PCL's fee of 25%. But I calculate this to be £2,801.25. And 8% simple interest should be added to this amount from the date the compensation should have been paid to the date of settlement. This must have been a distressing time for Mrs A, especially having been involved in an accident where she suffered personal injury. So, I also intend to ask PCL to pay Mrs A £100 for the trouble and upset their actions have caused her.*

## **Responses to my provisional decision**

Neither party presented any further representations for consideration.

## **My final decision**

I uphold this complaint. And ask Professional Centrum Limited trading as Global Accidents to pay:

- Mrs A her settlement offer of £3,735 less their fee of 25% - £2801.25 plus †8% simple interest on this amount from the date the payment should have been paid to date of settlement; and
- £100 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 17 August 2022.

Anne Scarr  
**Ombudsman**