

## **The complaint**

Mr B complains that Consumer Credit Justice Limited (CCJL) pressured him into agreeing to pursue a personal injury claim after he was involved in a road traffic accident.

## **What happened**

Mr B said he'd made a claim against his insurer after he was involved in a road traffic accident, and that his insurance claim was settled in July 2020. But around September 2021 he said he was called by CCJL. He said they'd his personal details and that he was told his insurance claim was still unresolved. He said CCJL told him that the third party had made a personal injury claim against him, and that there was money set aside to cover his own personal injury claim.

Mr B said he told CCJL that he hadn't been incapacitated by the accident, but said he was told that was for a medical examiner to decide. Mr B said he was persuaded by CCJL to act before he was faced with a personal injury claim against him. Mr B said he was then passed through to another department. But found this wasn't another department but a firm of solicitors.

Mr B said he's experienced extreme distress and inconvenience as the claim has had a substantial financial impact on him. The third-party insurer took legal action against him for making a personal injury claim when he hadn't been injured. He said the court action had cost him around £20,000, and that he'd said throughout that he hadn't been injured but the medical examiner had discussed "theoretical injuries". Mr B said he hadn't agreed the contents of the medical report, but the solicitors had pursued it. Mr B said he would never have been in this situation without the intervention of CCJL in pressuring him to make this claim. He complained to CCJL, but they didn't respond. Mr B referred his complaint to us.

Our investigator asked CCJL to provide details of their actions with Mr B but they haven't responded. He said CCJL had acted as a lead generator, which meant they would seek out any potential claims and pass the details onto a third party. And it would be the third party that would consider the validity and potential success of Mr B's personal injury claim. But he said CCJL hadn't acted in line with the relevant guidance which has caused Mr B distress and inconvenience. He said CCJL should pay Mr B £100 to compensate him for this.

CCJL didn't respond to our investigator's findings. And Mr B didn't agree that the recommended redress was sufficient for the upset that he'd been caused. He asked for an ombudsman to decide.

A provisional decision was issued in September 2023 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.*

CCJL are a claims management company (CMC) regulated by the Financial Conduct Authority (FCA). They have permission to carry out claims management activities. As the Claims Management Ombudsman I can look at complaints against them to consider whether they've acted fairly and reasonably in their actions with Mr B.

The main crux of Mr B's complaint is that this has led to court action being taken against him which has had a substantial financial impact on him. But as explained by our investigator I can't look at the quality of the legal advice given, or actions taken by Mr B's solicitors. I can only look at whether there has been poor service given by CCJL.

I can understand Mr B's frustration as he feels strongly that it's the contact made by CCJL that has led to his financial situation, and the impact on his credibility for any future financial products. CCJL hasn't responded to our requests for information, so I've based my decision on the testimony and evidence provided by Mr B.

CCJL had claims management permission for:

*"Seeking out, referrals and identification of claims or potential claims (personal injury claim; financial services or financial product claim; housing disrepair claim; claim for a specified benefit; criminal injury claim; employment related claim)"*

And this is what CCJL did in that they sought out and looked to identify a potential personal injury claim. CCJL acted as a lead generator which means they'd pass contact details (leads) of customers who may have a claim to make onto a third party who'd would look to take forward any claim. An individual who is contacted by a lead generator, or whose details are obtained by a lead generator and passed on to another firm, is, therefore, a customer of both the lead generator and, where relevant, that other firm. In this case CCJL passed Mr B's details to a firm of solicitors. As solicitors aren't regulated by the FCA as explained I can't consider their actions, but I understand Mr B has since referred this part of his complaint to the relevant ombudsman to consider.

For CMC's such as CCJL, the Claims Management Conduct of Business Sourcebook (CMCOB) provides relevant guidance. CMCOB 2.2 sets out some rules on lead generators providing information and as a regulated firm, the FCA's general principles will also apply to lead generators. We'd expect a lead generator to treat their customer fairly. Mr B said he was contacted by telephone by CCJL. CMCOB 2.2.8(2) says at the start of the call, CCJL must:

*".....in its financial promotions and in any communication with the customer, include a prominent statement to the effect that the firm receives payments from third parties to whom it passes customers, or the details of customers or of claims, or whose details it passes to customers, in respect of doing so."*

As CCJL hasn't provided the call recording or a note about the call, I've considered Mr B's testimony. And his understanding from the call was that CCJL said they were acting either for his insurer or to get his insurance claim fully resolved. And that as they knew his personal details, he'd no reason to doubt what they said. At no point in Mr B's testimony has he said he was made aware that CCJL would be paid for passing his details onto another party.

CMCOB 2.1.1 says:

*"A firm must act honestly, fairly and professionally in accordance with the best interests of its customer (the client's best interests rule)."*

CMCOB 2.1.4 says

*“A firm must not engage in high pressure selling in relation to regulated claims management activity.”*

CMCOB 2.1.7 says:

*“A firm must not make or pursue a claim on behalf of a customer, or advise a customer to take or pursue a claim, if the firm knows or has reasonable grounds to suspect that the claim:*

*(1) does not have a good arguable base; or*

*(2) is fraudulent; or*

*(3) is frivolous or vexatious.”*

*Having considered Mr B’s testimony, I don’t think CCJL adhered to the CMCOB guidance. Mr B said he made clear that he hadn’t been incapacitated but was persuaded that a medical professional would decide this for him. And that by not making a claim he would be at risk of a personal injury claim being made against him by the other driver.*

*So I don’t think CCJL were acting in the best interests of Mr B (CMCOB 2.1.1), as I think they pressured him (CMCOB 2.1.4) into pursuing something which, as I’m persuaded by Mr B’s testimony that he’d been clear he didn’t have an injury would have been at least a claim that didn’t have a good arguable base (CMCOB 2.1.7).*

*It’s not our role to punish a business but I ‘m persuaded that without the contact made by CCJL Mr B wouldn’t be in the situation he now finds himself in. I know Mr B has suffered a financial loss but this isn’t something I can ask CCJL to compensate him for as their role was to pass on his details and not to submit a personal injury claim on his behalf. While I accept that CCJL didn’t act in Mr B’s best interests, Mr B also has some responsibility in the pursuance of a personal injury claim when he himself was aware that he hadn’t been incapacitated. As outlined above I won’t comment on the actions of the solicitors in this matter.*

*But CCJL’s failure to adhere to CMCOB I think has caused Mr B considerable distress and inconvenience. Our investigator said they should compensate Mr B £100 for this. But I don’t think this fully reflects the distress and inconvenience CCJL’s actions in persuading Mr B into thinking he needed to make a personal injury claim have caused him. So, I currently intend to ask CCJL to pay Mr B £500 for the distress and inconvenience their actions have caused.*

## **Responses to the provisional decision**

Mr B accepted the provisional decision. CCJL haven’t responded, so I don’t have any further comments or representations to consider.

**My final decision**

I uphold this complaint. And ask Consumer Credit Justice Limited to pay Mr B £500 for the distress and inconvenience caused by their actions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 November 2023.

Anne Scarr  
**Ombudsman**