

## **The complaint**

Mr W complains U K Insurance Limited's (UKI) poor handling of a claim resulted in a County Court Judgement (CCJ) being recorded against him.

## **What happened**

In late 2021, Mr W was involved in an accident with a third-party car. They exchanged details and Mr W notified UKI. He understood no further action was being taken by either driver as he didn't hear anything further about the claim from UKI or the third-party.

In early July 2023, Mr W received a letter from a solicitor acting for the third parties' insurers. This letter requested immediate payment for the repair costs to the third-party vehicle and, if this wasn't received, they would commence litigation. Mr W immediately contacted UKI and was asked to send in a copy of the letter, which he did. He says he was reassured UKI would address this matter on his behalf.

In September 2023, Mr W received paperwork which set out that a County Court Judgement (CCJ) had been recorded against him. He complained to UKI, saying this was causing him significant worry and also impacting him financially. UKI responded to his complaint saying they hadn't been aware of the CCJ being logged and, if they had been, they would have taken steps to prevent it being logged. They said they would work to have it removed.

Mr W didn't think this went far enough and asked us to look into his complaint. Our investigator did. In UKI's file she found two letters from the third-party solicitor, both dated 31 July 2023. One letter was addressed to Mr W and gave notice that county court proceedings had begun.

Mr W said he didn't receive this letter. The second letter was sent to UKI, and also said proceedings had begun. On this basis, our investigator thought UKI could have taken steps to prevent the CCJ being recorded. She recommended UKI pay Mr W £1,000 compensation.

UKI accepted this conclusion, but Mr W didn't, so the matter has been referred to me.

## **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.

I think it's helpful to clarify here that I've only considered UKI's actions up to the point of the final response letter. I understand the CCJ is yet to be removed and if Mr W remains unhappy with UKI's handling of this matter, he's able to raise a new complaint. This decision here focuses on UKI's handling of Mr W's concerns up to October 2023.

The final response letter said the third-party solicitors didn't tell UKI that they intended to begin court proceedings. UKI went on to say had they had known about this; they would have proactively appointed a solicitor on Mr W's behalf to defend the claim.

In the file, I've seen emails from UKI to the third-party solicitors in late July 2023 in relation to the accident. On this basis, it seems reasonable to say UKI ought to have been aware the claim was being pursued.

I consider the key piece of information was the letter sent to UKI dated 31 July 2023 by the third-party solicitors. This said they had begun court proceedings against Mr W. UKI initially said it wasn't aware of this letter. It then said they couldn't trace the claim the letter related to because it didn't contain UKI's reference or the registration number of Mr W's vehicle.

Though I note the letter didn't contain the information above, it did contain Mr W's full name and the date of the incident. So, there was specific information in the letter that related directly to the incident at the centre of the claim.

I also note that UKI was able to provide this letter as part of its submissions to this Service, which seems to suggest the letter included sufficient information for UKI to link this letter to Mr W.

I'm not persuaded by the argument in the final response letter that UKI wasn't aware of the pending court action by the third-party solicitor. I'm satisfied it received a letter sent by the third-party solicitor and consider it more likely than not, UKI could have linked it to this claim. And, based on the actions it said it would have done had it been aware, UKI might have prevented the CCJ from being registered in September 2023. I note UKI has taken steps to arrange for the CCJ to be removed.

However, there's no doubt this matter has had a significant impact on Mr W. He's evidenced his lines of credit were reduced shortly after the CCJ was registered. He's shown on his credit file that he has a good credit history, bar for the CCJ. And he's told us how worrying this matter has been, being told that he owes an amount of money he genuinely thought was being resolved by his insurance company. He says this is causing him huge amounts of worry and stress and impacts his family too. He's asked for compensation of £3,000.

I'm considering UKI's actions only up to October 2023, when they issued the final response letter. And in the circumstances, I'm persuaded compensation of £1,000 up to this point is a fair reflection for the distress, inconvenience, and worry he's experienced in discovering the CCJ has been registered.

If Mr W remains unhappy with UKI's handling of this matter after October 2023, he can raise a new complaint with it directly, and refer any outstanding concerns to us if he remains dissatisfied with their response.

### **My final decision**

I uphold this complaint. I require U K Insurance Limited to pay Mr W £1,000 compensation for the distress and inconvenience experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 25 April 2024.

Emma Hawkins

**Ombudsman**