

The complaint

Mr S complains that Liverpool Victoria Insurance Company Limited (“LV”) recorded incorrect information about him in connection with his motor insurance policy.

What happened

From about September 2022, Mr S had a car insurance policy with LV.

In February 2023, Mr S asked his bank to do a charge-back or indemnity claim of money paid to LV.

In about April 2023, a credit reference agency recorded that Mr S had a missed payment of £466.00 to LV on about 13 March 2023.

Mr S complained to LV and in May 2023 he brought his complaint to us (“the May 2023 complaint”).

In early June 2023, Mr S paid LV in full.

In about October 2023, the credit reference agency recorded a default by Mr S to LV.

Our investigator recommended on 11 January 2024 that the May 2023 complaint should be upheld. She recommended that LV should:

“Remove all the negative markers related to the indemnity claim from Mr [S]’s credit file and send written confirmation to Mr [S] when this has been completed”

LV accepted the investigator’s recommendation.

By 18 January 2024, the credit reference agency had removed LV’s adverse information.

Mr S didn’t ask for an ombudsman to review the May 2023 complaint.

In February 2024, Mr S issued court proceedings against LV, claiming about £10,000.00.

In August 2024, Mr S complained to LV that there was again a record on his credit file of a default of £466.00 on about 13 March 2023 (“this complaint”).

By 22 August 2024, the credit reference agency had removed the default.

By a final response dated 9 October 2024, LV offered to send Mr S a cheque for £300.00 compensation.

Mr S asked us to investigate.

Our investigator recommended in November 2024 that this complaint should be upheld. She thought that £300.00 wasn't enough to reflect the impact on Mr S. She recommended that LV should pay £500.00 in total as compensation for the distress and inconvenience caused.

In March 2025, there was again a record on Mr S's credit file of a default.

Mr S discontinued his court proceedings against LV.

Mr S disagreed with the investigator's opinion in part. He says, in summary, that we should direct LV to compensate him for interest payments.

LV disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, in summary, that £300.00 was enough.

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.

Scope of this complaint and this final decision

The Financial Conduct Authority's dispute resolution rules bind the Financial Ombudsman Service.

In line with those rules, I cannot review the May 2023 complaint.

Also in line with those rules, I cannot deal in this final decision with complaints that arose after the final response dated 9 October 2024 (or after the investigator's opinion dated November 2024).

So I'm reviewing this complaint about the information recorded in August 2024. I'm not reviewing any complaints about the information recorded in March 2025.

Review

From LV's file, I find it responsible for miscommunication that damaged Mr S's credit rating from about 11 August 2024.

Mr S has provided evidence from his bank that it turned him down for a further loan of £5,000.00 on 13 August 2024. Mr S says that he had to borrow money from an individual at around that time at a higher rate of interest. However, he hasn't provided enough documentary evidence of such a loan.

In any event, LV and/or the credit reference agency put right the information by 22 August 2024. Mr S hasn't provided enough information to show urgency for a £5,000.00 loan in the intervening week or so in August 2024.

Mr S has provided some evidence of an expensive loan from an individual in March or April 2025. He has also provided evidence that a company turned him down for a car lease.

However, this was after the final response in October 2024 (and the investigator's opinion in November 2024). And I don't consider that Mr S is complaining that these are bleated effects of LV's acts or omissions in August 2024. Rather I consider that he is complaining that these are effects of LV's acts or omissions in March 2025 – and I'm not reviewing such a complaint in this final decision.

Putting things right

I'm not persuaded that LV's acts or omissions in about August 2024 caused Mr S a financial loss for which it would be fair and reasonable to direct LV to pay compensation.

However I don't doubt that such acts and omissions caused Mr S distress and inconvenience. I consider that this was made worse by the following factors:

- It had happened before.
- Mr S spent time trying to get an explanation.
- Mr S felt victimised.
- He had every right to fear that it would happen again.
- Mr S works in financial services

So I conclude that £500.00 is fair and reasonable and in line with our published guidelines on compensation for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Liverpool Victoria Insurance Company Limited to pay Mr S (insofar as it hasn't already paid him) £500.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 31 July 2025.

Christopher Gilbert
Ombudsman