

The complaint

Mr S is unhappy with how EUI Limited trading as Admiral ('EUI') administered a fixed sum loan agreement taken to fund the cost of insurance.

What happened

Around May 2020 Mr S took out a fixed sum loan agreement with EUI to fund insurance for his van.

The insurance premium funded was £772.80 and Mr S was due to make repayments of £70.25 over twelve months.

Unfortunately, Mr S got into financial difficulty and didn't make payments due on the agreement. This then led to negative information being recorded on Mr S's credit file. And the policy was cancelled in January 2021.

Mr S complained to EUI around July 2023 and it issued a final response on 3 August 2023 ('response A'). Response A addressed Mr S's complaint that a default EUI recorded had affected his credit file and his ability to get a mortgage.

EUI, in summary, said in December 2020 it wrote to Mr S to inform him of a missed payment. It said the payment wasn't then made and the policy was cancelled. EUI said the balance was still outstanding and it did not uphold the complaint, saying it had made no errors.

Mr S later complained further and EUI then issued another final response on 6 December 2024 ('response B'). Response B addressed the following complaint points:

- Mr S said EUI took twelve months to collect an outstanding balance from him
- Mr S said EUI declined to update his credit report when the balance was paid
- Mr S was unhappy with the procedure of collecting the outstanding balance
- Mr S said the outstanding balance was updated incorrectly on his credit report

EUI, in summary, upheld the first point above and sent Mr S £50 to reflect this, as it said there was a lack of communication about taking the payment.

EUI said Mr S was told negative markers would remain on his credit file after the balance was settled to reflect the payment history and it thought this was correct.

EUI said the balance had originally been passed to a debt collection agency, and then it took this back. It said it didn't think it had made any error.

And, EUI said it thought the balance was reported correctly to the credit reference agencies.

Mr S referred the complaint to our service in December 2024. He explained in 2020 he wasn't in the UK and due to the COVID-19 pandemic he wasn't working. He said when he found out the payment under the agreement hadn't been taken, he contacted EUI to try to pay but EUI couldn't process this.

Mr S says after trying for some time he eventually made the payment in November 2024. He says EUI told him this meant the figure would be removed from his credit file, but Mr S said it wasn't.

Mr S said he would like for the 'missed payment marker' to be removed from his credit file and be paid compensation for the effect on his physical and mental health.

An investigator issued a view and explained he didn't think our service could look into the issues addressed by response A, as Mr S had referred it to our service more than six months after EUI issued its final response.

In relation to the points from response B, an investigator said Mr S had tried to pay the remaining balance off in November 2024, but EUI couldn't process the payment. She acknowledged the inconvenience here, but she said she thought EUI had worked with Mr S after this point to try to resolve things.

She said EUI had reported accurate information to Mr S's credit file.

The investigator said she thought taking the debt back from the debt collection agency showed EUI was trying to help Mr S.

And she said Mr S's credit report should accurately reflect the balance Mr S owed.

Our investigator concluded EUI should pay Mr S a total of £150 to reflect what happened and update his credit report if Mr S showed that it reflected an incorrect balance.

Mr S responded and said he didn't agree. He said EUI should've been able to take a card payment from him or send him a 'payment link'. He said our service was corrupt. And he said the £150 wasn't fair to reflect what happened.

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 think this complaint should be upheld. I'll explain why.

Mr S complains about the administration of a fixed sum loan agreement. Entering into regulated consumer credit contracts such as this as a lender is a regulated activity. And I'm satisfied what Mr S complains about is ancillary to this activity. So, I'm satisfied I can look into Mr S's complaint about EUI.

That being said, I am only considering the complaint points addressed in response B here. Both parties will have received a separate decision setting my thoughts out about this specific point in detail. But to be clear, this decision makes no comment or findings on the complaint points raised and addressed by response A.

Mr S has made multiple complaint points, so I'll address these in turn.

Mr S said EUI took twelve months to collect an outstanding balance from him

I've thought carefully about this. I've seen a timeline of when Mr S spoke to EUI.

In October 2024 I can see Mr S called to make a payment. EUI said it needed to check with another department if this was possible. It appears it didn't speak to him until a couple of days later, when he then didn't have the funds to make the payment. And I can see in November 2024 EUI spoke to him again, Mr S said he could make the payment, but it appears this couldn't be taken by EUI. Mr S has confirmed the payment was made later in the month.

I'm sure this must have been frustrating for Mr S and I think he was caused some inconvenience.

But I also need to consider the overall situation here. I can't see Mr S was consistently attempting to make the payment over the long period he says he was. And I can see at points EUI was in touch with Mr S and was told said *he* couldn't make the payment.

Mr S said EUI declined to update his credit report when the balance was paid

In relation to this, EUI explained when Mr S cleared the final balance owed, the late payment markers would remain on his credit file to reflect the payment history. And EUI said it never gave Mr S the impression this wouldn't be the case.

EUI have an obligation to record accurate information on Mr S's credit file. I haven't seen anything to suggest the information recorded is incorrect. So, EUI needs to take no action on this point.

Mr S was unhappy with the procedure of collecting the outstanding balance

I've already noted above that I can understand Mr S's frustration with attempting to make the payment at points.

EUI explained that the debt was originally passed to a debt collection agency. It seems this led at one point to Mr S contacting the wrong party, which must have been frustrating. But, EUI explained it recalled the debt from this company to allow Mr S to settle the account directly.

I've thought about what Mr S said here. But, I'm satisfied EUI was likely attempting to make the process easier for Mr S here by taking back the debt. And it did ultimately resolve the issue.

Mr S said the outstanding balance was updated incorrectly on his credit report

EUI explained the original outstanding balance was recorded as £182.33. It then explained when it took the debt back from the debt collection agency, it waived the cancellation fee of £55 as a gesture of goodwill, leaving £127.33.

I haven't been presented with any evidence from Mr S that things are reporting incorrectly on his credit file in relation to this point.

Given the lack of evidence, EUI doesn't need to take any action.

Putting things right

In summary, I think the service Mr S received from EUI fell below the standard he would've expected when he tried to repay the outstanding balance. I appreciate EUI has already

acknowledged this.

I agree with our investigator that this caused Mr S distress and inconvenience, as this must have been frustrating. I also agree that the impact of this situation on Mr S will likely have been higher than that on another individual, or Mr S himself at a different point. I say this because of what he told us he was dealing with in his personal life at the time.

But I also need to consider this in the overall context of what happened and what was going on. I'm sure Mr S was suffering very severe distress. But, I'm only considering an award specifically in relation to what distress EUI caused, and then only what it caused by what it did *wrong*.

All that being said, I agree with our investigator that EUI should pay Mr S a total of £150 to reflect what happened.

My final decision

My final decision is that I uphold this complaint. I instruct EUI Limited trading as Admiral to put things right by paying Mr S £150 to reflect the distress and inconvenience caused.

If EUI has already paid Mr S any amount in relation to this, it can deduct it from the above figure.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 September 2025.

John Bower
Ombudsman