

The complaint

Mr N is a sole trader. He complains that QIC Europe Ltd (QIC) mishandled a motor accident claim on his motor insurance policy resulting in a County Court Judgment (CCJ) being recorded against him.

For ease of reading, any reference to QIC includes its agents and those acting with delegated authority on its behalf.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In January 2022, Mr N took out a commercial vehicle insurance policy underwritten by QIC.

In December 2022, Mr N was involved in two simultaneous incidents. Mr N reported the accidents to QIC.

In early 2025, Mr N became aware that a CCJ had been issued against him.

QIC said it failed to nominate a solicitor to accept service of proceedings, and they were therefore served on Mr N's old address. As no defence was entered, a judgment was obtained in default for the full amount claimed by the third party. This resulted in a CCJ being recorded against Mr N. Once QIC became aware of the CCJ, it made a court application for the CCJ to be set aside, and this was completed in May 2025.

QIC accepted that due to the CCJ being on Mr N's credit file, he had trouble renewing his commercial motor insurance policy which had to be paid in instalments, resulting in additional interest charges. He also incurred additional costs for his public liability insurance policy. Taking all of this into account, QIC paid Mr N redress in the sum of £514.74 for his financial loss. Mr N accepted this as an interim payment but felt further compensation was due to him for the stress and inconvenience caused. He also said the CCJ adversely effected his credit score, which resulted in the loss of two credit facilities.

Our Investigator looked into things, and he upheld Mr N's complaint in part. In respect of Mr N's claim that two credit facilities were cancelled as a result of the CCJ, our Investigator wasn't satisfied that Mr N had evidenced his loss in relation to the cancelled credit facilities or the impact of it. But he said that in addition to the £514.74 already paid by QIC, it should pay Mr N a further £500 compensation for the distress and inconvenience caused by this matter.

QIC agreed with our Investigator to pay Mr N a further £500 compensation. However, Mr N didn't agree with the resolution, so the matter has been passed to me to decide.

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.

Both parties have provided detailed submissions to support their position. I want to assure them I've read and carefully considered everything they've said, but I won't comment on everything.

Both parties agree that a CCJ was recorded against Mr N because of QIC's handling of Mr N's motor accident claim.

Mr N doesn't think he has been fairly compensated for the impact of the CCJ on his credit file, which he says resulted in the loss of two credit facilities.

Mr N first became aware of the CCJ when he was contacted by bailiffs. Mr N contacted QIC about the issue, and it's confirmed that the CCJ was set aside in May 2025. I agree the CCJ was recorded due to QIC's mishandling of Mr N's motor accident claim, but I'm satisfied that once QIC was made aware of what happened, it applied to have the CCJ set aside in a timely manner.

I note that QIC offered to pay Mr N compensation in the sum of £514.74. QIC said it took into consideration the additional costs Mr N incurred in renewing his motor and public liability insurance. Mr N didn't provide the evidence of this loss to the Financial Ombudsman Service, but I believe he did share it with QIC which formed the basis of this offer. From what I've seen, Mr N hasn't challenged the way QIC calculated the £514.74 or suggested that this figure doesn't reflect the financial losses he incurred. I'm therefore satisfied that this payment fairly compensates Mr N for the additional costs he incurred in renewing his motor and public liability insurance.

Mr N explained that due to the CCJ being added to his credit file, two credit facilities were removed from his account. Our Investigator asked Mr N to provide evidence of the credit facilities that were removed from him and the impact of it, however he has been unable to provide anything to demonstrate what happened here.

I understand Mr N feels strongly about this matter. But I've not seen any information to support that credit facilities were removed from Mr N due to the CCJ being added to his file, and therefore I'm unable to draw a link between the CCJ being applied and the impact of this on the credit facilities available to Mr N.

Having said that, I can see the situation caused Mr N distress and inconvenience and understand that finding out about the CCJ came as a shock and caused him a reasonable level of concern. In the circumstances, I agree that a payment of £500 compensation, in addition to the £514.74 already paid by QIC, is fair and reasonable and reflects the trouble and upset caused to Mr N.

My final decision

My final decision is that I'm upholding this complaint and require QIC Europe Ltd to pay Mr N a further £500 compensation if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 6 January 2026.

Ankita Patel
Ombudsman