

The complaint

Miss E complains about the impact on her credit file caused by Mrs W missing payments for their car insurance policy with U K Insurance Limited trading as Churchill Insurance (“UKI”).

Miss E is represented in her complaint by Mrs W, and I’ll refer to them both as appropriate as they are both involved in what took place.

What happened

Miss E had a motor insurance policy with UKI covering her car. Her daughter, Mrs W, was a named driver on the car and arrangements were made for the policy to be paid for monthly via a credit agreement.

Mrs W agreed to make payments for the policy, but was struggling to afford them due to financial hardship.

The missed payments impacted Miss E’s credit rating.

Mrs W wanted to accept responsibility for the payment issues, and she complained to UKI. She asks that the payment problems were transferred to her credit file.

UKI said it wasn’t possible to do this, as Miss E had responsibility for the payments as policyholder.

As Miss E remained unhappy, she brought her complaint to this service.

Our investigator looked into her complaint and thought it wouldn’t be upheld.

Miss E asked that her complaint was reviewed by an ombudsman, so it’s been passed to me for a final decision.

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 read the file of evidence, I’m not upholding this complaint and I’ll explain why as I appreciate Miss E and Mrs W will be disappointed by my decision.

I can see from the file that, when UKI set up Miss E’s policy but Mrs W paying for it, it confirmed that:

“You’ve arranged for Mrs W to make these monthly payments, but you’re responsible for making sure these payments are made.”

And on the credit agreement:

“3. What could happen if I can’t keep up repayments?”

...missing payments could have severe consequences for your finances. It may make obtaining credit more difficult in the future as we may report non-payment to the credit reference agencies (which most lenders consult when assessing any borrowing application) and this will adversely affect your credit rating.

If the repayments under your credit agreement are paid by a third party and the third party misses payment, it will be your credit rating that may be adversely affected, not the third party's credit rating"

I've thought about this, and I think UKI acted fairly in how it arranged the agreement and provided the information above about how important it was for Miss E that Mrs W made payment and continued to do so.

UKI said it wasn't able to change the responsibility for the credit agreement, as it's legally associated with the policyholder, which was Miss E. What this means is that missed or late payments are recorded against Miss E's credit file, and that couldn't be altered.

I can see UKI has said Miss E can approach the credit rating agencies if she wishes to dispute how the payment problems are recorded.

It follows that I'm not able to uphold this complaint, as I think UKI acted fairly in how it warned Miss E about the potential problems that could be caused, and wasn't able to make the changes she wanted.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 5 March 2026.

Richard Sowden
Ombudsman