

complaint

Mr A's complaint relates to the Society of Lloyd's failure to deal with a third party claim on his behalf.

background

The Society of Lloyd's accepted that as a result of its poor claim handling the third party instigated legal proceedings which resulted in a CCJ being registered against Mr A.

Fortunately Society of Lloyd's acted expeditiously after Mr A made it aware of the CCJ issue and ensured that any record of the CCJ was removed from records and offered £500 compensation for the distress and inconvenience caused.

Mr A complained to this Service and the Society of Lloyd's increased its original offer of compensation for distress and inconvenience to £1,000. Mr A remained unhappy with this offer.

The adjudicator felt that whilst the insurer had not acted correctly in settling the claim and not defending Mr A from court proceedings, the level of compensation was fair and reasonable. The adjudicator advised Mr A that the compensation was in line with our general approach to compensation but Mr A rejected the opinion as he felt he was entitled to more compensation as he was unable to rent a property due to the CCJ, although he has not been able to evidence his position.

As Mr A continued to reject the offer the matter has been escalated to me for a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The Society of Lloyd's has accepted that it could have handled the claim better and that, due to its failures, Mr A had a CCJ registered against him. I note that as soon as Society of Lloyd's became aware, it took the necessary action to deal with the outstanding claim and have the CCJ registration removed.

While the direct affect on Mr A is difficult to quantify it is clear that this may affect his credit history. Plus, he has clearly been caused a significant amount of stress. Our awards of compensation for distress and inconvenience are usually modest and we only make substantial awards in exceptional circumstances. Mr A's case is clearly exceptional, but, equally, an award of £1,000 is substantial and without any evidence that the CCJ (which has been satisfied) has directly affected Mr A I feel it is a fair and reasonable amount of compensation.

Although I sympathise with Mr A's position he has not provided any evidence of losses or prejudice as a result of the CCJ. It is of note that the Society of Lloyd's increased its offer of compensation from £500 to £1,000 following the involvement of this Service.

my final decision

It therefore follows that my final decision is that although the Society of Lloyd's handled the claim poorly its offer of £1,000 compensation is fair and reasonable.

Colin Keegan
ombudsman