

The complaint

Mr K the policyholder, and his son also Mr K, the named driver, have complained that AXA Insurance UK Plc failed to deal with the other driver's claim against Mr K's motor policy following an accident in which the named driver was involved. This resulted in a County Court Judgement (CCJ) being registered against the named driver.

This complaint is brought by both Mr K and his son, the named driver. For ease of reference, and to avoid confusion, I shall just refer to Mr K where appropriate and the named driver where appropriate too.

What happened

The named driver was involved in an accident in 2018 and a claim was made against Mr K's policy with AXA. The other driver involved in the accident also made a claim against Mr K's policy. The other driver's solicitors wrote to the named driver to explain they were now going to issue legal proceedings for the other driver's losses. The named driver duly sent this on to AXA.

AXA failed to address the concerns expressed by the other driver's solicitors. So, these solicitors were able to obtain a CCJ against the named driver in favour of the other driver. This obviously affected his credit file and rating. And Mr K said the named driver's application for a loan was refused.

AXA upheld Mr K's complaint and paid £750 compensation to the named driver for the distress of having a CCJ registered against him. And it paid £300 compensation to Mr K since he spent a considerable amount of time chasing AXA on the matter. AXA also instructed its own solicitors to remove the CCJ and to obtain a Certificate of Satisfaction or Cancellation of the Judgement Debt.

Neither Mr K nor the named driver were satisfied with this and brought their complaint to us. The investigator thought AXA had done enough to put things right. Neither Mr K nor the named driver agreed so their complaint 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.

Having done so I'm not upholding this complaint. I'll now explain why.

First, I do understand and appreciate what an ordeal having a CCJ registered against you can mean. And I do understand how infuriating and frustrating it can be when it happens as it did here, where it was completely out of your control and indeed AXA should have been dealing with the other driver's claim instead, given their indemnity to you under the policy. So, in not upholding this complaint I'm not condoning the failures of AXA either.

When things go wrong, even something as serious as this, our role is to look if AXA has already done enough to put things right. And in this case here, I consider it did. There's also no dispute that AXA didn't do what it should have done in dealing with the representatives of the other driver and their claim regardless of the less than clear communications from them.

I have no authority or ability to fine or punish businesses like AXA when things go wrong, even as wrong as the circumstances here. Therefore, the issue becomes one of compensation for the detriment suffered, such as distress and upset. AXA made a mistake and it properly sought to correct that mistake. The named driver informed AXA of the CCJ on 27 December and AXA had paid it by 8 January as confirmed by the other driver's solicitors. I also understand Mr K and his son, the named driver received the Certificate of Satisfaction or Cancellation on 8 March 2024. Therefore, from that time this falls off the credit reference for the named driver. And prior to that AXA paid the debt as soon as it could which also would show on the named driver's credit file as being 'satisfied' in any event. So, the ability of the CCJ to affect the named driver and his credit file did not last for a significant length of time.

Mr K said his son, the named driver, had applied to get a mortgage in principle to renovate a house and he also applied for a loan for the renovation costs, in January 2024, but both were denied. There can be many reasons for this sort of denial of credit, but the CCJ was paid so therefore deemed 'satisfied' by 8 January 2024. I have no evidence before me which confirms the denial was solely to do with the CCJ, so I think it's unlikely the CCJ was the sole reason, if it was the reason at all, since the debt was deemed satisfied by 8 January 2024.

AXA followed our stance on compensation for matters like this, which is explained more fully on our website. In view of how quickly AXA paid off the CCJ and indeed got the Certificate of Satisfaction or Cancellation, and in the absence of any other information showing any increased distress or inconvenience beyond what I've discussed, I do consider AXA's payment of £750 compensation to the named driver is reasonable. I also consider its payment to Mr K of £300 compensation for his trouble in chasing all this up and complaining about it to be also reasonable.

Therefore, whilst AXA did make a mistake which could have had very serious consequences, I consider it acted quickly to put things right to limit those consequences. And therefore, in following our stance on compensation for such matters, its consequent efforts to rectify the situation were fair and reasonable.

My final decision

So, for these reasons it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mr K to accept or reject my decision before 17 May 2024.

Rona Doyle
Ombudsman