

The complaint

Mr R complains Nelson Insurance Company Ltd failed to deal with a claim against his taxi insurance policy.

Nelson's been represented by agents for the claim and complaint. For simplicity I've referred to the agents' actions as being Nelson's own.

What happened

In February 2023 Mr R was involved in a motor collision with a third-party (TP). The third-party insurer (TPI) and Nelson considered Mr R to be at fault. Nelson attempted to negotiate a claim settlement with the TPI. However, due to the departure of a Nelson staff member it failed to respond to further correspondence – including court documents. In September 2023 a county court judgement (CCJ) was issued against Mr R. When he contacted Nelson it said it would settle the CCJ and have it amended so it didn't appear on his credit report.

In November 2023 Mr R complained to Nelson. He said he hadn't seen evidence the CCJ had been settled or removed from his credit record. He explained the CCJ had unfairly prevented him from obtaining a mortgage and the matter had caused him distress and inconvenience.

In response Nelson apologised for its error. It said it had arranged for CCJ to be removed from Mr R's credit record. Nelson asked, to help it understand and address the impact of its error, for him to provide a copy of his credit report. It offered him £100 compensation. Mr R didn't accept that.

Unsatisfied with Nelson's response Mr R referred his complaint to this Service. He said the CCJ has now been removed from his credit record. But, he explained, the CCJ had prevented him from obtaining a mortgage. To resolve his complaint he asked for Nelson to reimburse him £250 – the property deposit funds he lost – plus for it to compensate him for loss of a mortgage offer and the distress and inconvenience he's experienced.

Our Investigator felt Nelson's poor claim handling had resulted in the CCJ. But she was satisfied it had acted quickly to put things rights once notified of it. She said she hadn't been provided with evidence to show the CCJ had caused Mr R a financial loss. So she didn't require Nelson to cover any such loss. But she recommended it increase its compensation offer to £250. Mr R accepted that outcome. Nelson didn't respond. As the complaint wasn't resolved it was passed to me to issue 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.

Nelson settled the CCJ and had the record amended so it is no longer in Mr R's name or appears on his credit report. So I don't need to require it to take either of those actions.

Mr R hasn't provided Nelson or this Service with enough evidence to persuade me the period the CCJ was in his name caused him financial loss. He's provided some excerpts of a credit report. But not enough to persuade me the CCJ itself resulted in a low credit score or that it was responsible for him not receiving a mortgage offer. So I'm not going to require Nelson to cover any financial loss – including the property deposit he's requested it cover.

I can see this matter did cause Mr R some unnecessary distress and inconvenience. Even if he hasn't shown the record did prevent him from obtaining credit, I can understand why receiving a CCJ in his name would cause him some anxiety. He's also spent a reasonable amount of time and effort in trying to resolve the matter. So I agree with the Investigator that £250 would be a fair amount to recognise the impact of Nelson's error.

My final decision

For the reasons given above, Nelson Insurance Company Ltd needs to pay Mr R £250 compensation (including the £100 already offered).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 October 2024.

Daniel Martin
Ombudsman