

## The complaint

Mrs K complains AXA Insurance UK Plc said her car isn't insured with them after she was involved in an accident.

Mrs K has been represented on this complaint, for ease of reading any reference to Mrs K also includes her representative.

## What happened

Mrs K was coming out of her driveway in the evening and was hit by a van driving down the road. The van then veered onto the other side of the road and into oncoming traffic, sadly killing the driver of another car.

Mrs K called AXA to claim on her insurance. The policy Mrs K thought her car was insured under was a commercial vehicle insurance policy. The policy is in a business's name which I'll refer to as C. Mrs K's husband is a director of C and is able to add his personal vehicles to the policy. Mrs K is also a beneficiary under the policy as she is able to drive C's vehicles and covered for social, domestic and pleasure use.

AXA reviewed Mrs K's claim and declined it. They said while the policy allowed for personal vehicles to be added to it, they hadn't been made aware that Mrs K needed to add this car. And the policy said personal vehicles would only be covered if AXA had been notified of them and agreed to provide cover.

Mrs K didn't think this was fair and complained. She said the car had been added to the policy as it was listed on the motor insurance database (MID). She also said she had an insurance certificate showing the same registration number as the one on her car.

AXA looked into Mrs K's complaint and didn't uphold it. They said while C was allowed to add the vehicles it bought and sold onto MID, personal vehicles had to be agreed by AXA before being covered. AXA also said they weren't notified when a vehicle was added to MID, which is why C needed to tell AXA about the personal car. AXA also said the certificate of insurance was for Mrs K's previous personal car, which they had been told about. Mrs K had previously owned another car of the same make but a different model which had a cherished number plate on. AXA had agreed to cover this car and that was the one the insurance certificate was for, it was also the car listed under the personal vehicles section on the policy when it had been renewed. Mrs K didn't think this was fair and brought the complaint to us.

I issued a provisional decision on this complaint on 15 September 2020 where I said: *"The policy Mrs K has complained about is a commercial insurance road risks policy. The policy is one designed to cover a business which is in the motor trade. It allows the business to buy and sell cars and ensures their stock and customers vehicles are insured. Because the policy can cover lots of cars it's normal for the policy holder to be able to add business vehicles directly onto MID. The policy C has also allowed for personal vehicles to be added to it but says AXA should be made aware beforehand and added to the policy as an endorsement."*

*The renewal invitation sent by AXA has a heading for personally owned vehicles and says: "Cover does not automatically extend to include any personally owned vehicles. We are still able to offer cover in respect of vehicles that are privately owned by any director of a limited company but these must be added to the policy by endorsement and a specified certificate issued. Full details (make, model, value, registration number and owner) of any such vehicles will need to be notified to us as and when cover is required and a charge may be made. Deletions should also be advised and the specified certificate returned."*

*I've reviewed this term and I'm satisfied it's clear that AXA needs to be made aware of any personal vehicles before they're covered by the policy. Also, as they need to be added to the policy by an endorsement and a separate insurance certificate issued, I'm not satisfied that by adding them to MID is the same as notifying AXA. I say this because the MID is a central database and AXA isn't made aware when vehicles are added or removed to it. And, as a separate insurance certificate needs to be issued for personal vehicles, C would need to have obtained this from AXA. I'm also satisfied Mrs K's new car was a personal one as the registration document and finance agreement for it are in her husband's name.*

*I've considered Mrs K's point about having an insurance certificate for her new car. I'm not persuaded it was for that car, even though it had the same registration number on it. I say this because the insurance certificate was issued in April 2018 and Mrs K didn't get her new car until October 2018. So, I think the certificate was the one issued for her previous car. And as the policy says it should have been returned when the previous car was no longer on cover I'm not persuaded AXA intended for it to be used on another car, even with the same registration.*

*As I'm satisfied Mrs K's new car should have been added as a personal car but wasn't, I've also looked at whether it was covered under the policy as a customer's car being in the custody of C. Having done so I don't think it was. Mrs K said her car had been taken to C to be repaired and was only at home as the repair couldn't be completed that day. The time of the accident was in the evening, after most garages are closed. In addition, Mrs K said at the time she was driving it was for personal reasons. I'm therefore not satisfied that at the time of the accident the car was in the custody of C.*

*I understand this decision will come as a disappointment to Mrs K and I'm sorry to hear about the impact the accident has had."*

Our investigator checked to see if Mrs K had received the provisional decision, she confirmed she had and while she disagreed, she did have any further comments. AXA didn't respond.

### **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.

As neither party had any further comments, I see no reason to depart from my provisional decision.

### **My final decision**

For the reasons explained above and in my provisional 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 Mrs K to accept or

reject my decision before 28 October 2020.

Alex Newman  
**Ombudsman**