

The complaint

Mr W complains about AXA Insurance UK Plc and their decision to decline his car insurance application.

What happened

In February 2021, Mr W took a car insurance policy with AXA for a separate car, which I'll refer to as "Car A". In June of that year, Mr W submitted a quote to AXA to insure his second car, which I'll refer to as "Car B" with them as well, to make use of their multi-car policy incentive.

But AXA declined Mr W's quote, due the age of Car B. But Mr W was unhappy about this, so he raised a complaint.

Mr W was unhappy with AXA's decision to decline his quote for Car B as well as the length of time it took them to reach this decision. He explained he'd been caused sleepless nights waiting for a decision on the insurance quote. And he said he'd been unable to find suitable insurance for Car B since and he believed this was due to AXA declining his quote. So, he wanted to be compensated for the worry and upset he'd been caused.

AXA responded and didn't agree. They thought they'd acted fairly, and in line with their underwriting criteria, when declining Mr W's quote due to the age of his car. And they thought they'd followed their usual process to reach this decision. So, they didn't think they needed to do anything more. Mr W remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn't uphold it. They explained it was AXA's commercial decision to not insure cars over the age of 25 years on new policies. And they explained our service is unable to comment upon, or make businesses change, commercial decision they make. But they were satisfied Mr W's quote was considered in line with AXA's underwriting criteria and so, they didn't think AXA had done anything wrong when declining the quote. So, they didn't think AXA needed to do anything more.

Mr W didn't agree. He maintained his view that AXA had taken an unreasonable amount of time to decide they couldn't insure Car B. And he maintained his belief that this declination had impacted his ability to obtain future insurance, which he thought was unfair. So, Mr W maintained his view that AXA should compensate him for the upset he'd been caused. As Mr W didn't agree, the complaint has been passed to me for a 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 done so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain how I've reached my decision, I think it would be useful for me to explain exactly what I've been able to consider. While Mr W's complaint has been with our service, I can see he's raised concerns about the way AXA have handled a claim involved Car A. This is a complaint about a different issue, relating to a different policy Mr A holds. And I've seen no evidence to show AXA had responded to this complaint separately or had chance to do so. And even if they have, Mr W's complaint about the quote declinature was accepted by our service before Mr W's concerns about the way his claim was handled began. So, this decision will focus on the quote declinature for Car B only and Mr W's complaint about AXA and the claim registered against Car A will need to be considered by our service separately if required.

First, I want to recognise the impact this complaint has had on Mr W. I recognise Mr W wanted to make use of AXA's multicar policy incentive. And as Car B had been insured previously, I can understand why Mr W would assume there would be no issues insuring his car with AXA. So, when he was told he quote for insurance had been declined, I can understand the upset this would've caused. And I recognise it took four days for this decision to be provided and during that time period, Mr W wouldn't have had assurance that his insurance had been arranged. But for me to say AXA have done something wrong, I'd need to be satisfied they made a mistaken when declining Mr W's insurance. So, I'd need to see evidence that they failed to follow their own business process and underwriting criteria when coming to that decision. Or, if I think they didn't make a mistake, that it was unreasonable of them to make that decision. And in this situation, I don't think that's the case.

I understand Mr W doesn't think it's fair for AXA to say that they won't insure cars on new policies once they are over 25 years of age. But this is a commercial decision AXA are entitled to make as they are entitled to decide the level of risk they are willing to insure. And commercial decisions aren't something our service can comment upon or ask businesses to change. This would be the remit of the industry regulator, the Financial Conduct Authority.

So, I'm unable to say AXA's decision to refuse provide new insurance policies to cars over this age is unfair. But I can consider whether AXA followed their own business process, and underwriting criteria, when reaching their decision to decline the quote. And I think they have here.

I've seen an e-mail from AXA's underwriters confirming Mr W's car fell outside of the age they were willing to insure. And I've seen AXA's underwriting criteria, including screenshots of the underwriting process and guide, which confirms this. So, I can't say AXA have done anything wrong.

I appreciate Mr W says this declinature has made it more difficult for him to obtain insurance for Car B. And while I've not seen evidence to show this, I don't dispute Mr W's testimony. But I'm only able to ask AXA to change the declinature if I think the quote was declined incorrectly, or unfairly. And I don't think that's the case in this situation.

And although I appreciate it took AXA four days to communicate this decision to Mr W, I don't think that amount of time was unreasonable. I've seen AXA's system notes, which show Mr W was unable to input Car B's registration into the system as part of the quote. So, I think this meant AXA needed to complete additional work to obtain Mr W's car information and then from that, process the quote through their underwriting team to reach a decision. And I've seen the quote was generated on a Friday, with the declinature decision being

communicated to Mr W on a Tuesday. So, the underwriting process took around two working days, which I don't think is an unreasonable amount of time.

And I've seen Mr W himself confirm Car B was insured with another provided until 13 July, so for a further two weeks after AXA declined the quote. So, Mr W was able to use the vehicle and I don't think the length of time AXA took to respond prevented him from doing so. Because of this, although I recognise Mr W would've been left wondering whether the quote would be accepted and the worry this may have caused, I don't think this was because of anything AXA did wrong. And so, I don't think AXA need to do anything more on this occasion.

I understand this isn't the outcome Mr W was hoping for. And I appreciate this doesn't help address Mr W's difficulty in obtaining insurance for Car B. But as I've explained, I'm only able to direct AXA to take a certain action, or provide compensation, if I think they've done something wrong. And I don't think they have on this occasion.

My final decision

For the reasons outlined above, I don't uphold Mr W's complaint about AXA Insurance UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 17 May 2022.

Josh Haskey
Ombudsman